



Daily Report

East Asia

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Asian-Pacific Roundtable Meets in Malaysia

Discussion on Cambodian Issue

BK1706111789 Kuala Lumpur BERNAMA in English
0722 GMT 17 Jun 89

[Report on a paper, "The Political Settlement of the Cambodian Problem," by Dr Noordin Sopiee, director general of Malaysia's Institute of Strategic and International Studies, presented at the Third Asia-Pacific Roundtable Conference on "Confidence-Building and Conflict Reduction in the Pacific"]

[Text] Kuala Lumpur, June 17 (OANA-BERNAMA)—A roundtable conference on peace in the Asia-Pacific region was Saturday asked to deliberate on the possibility of a new association of Southeast Asian countries being set up as a move to resolve the Cambodian issue.

Director-General of Malaysia's Institute of Strategic and International Studies (ISIS) Dr Noordin Sopiee said many had argued that for the solution to be viable in the longer term, it was important that Cambodia and other states in the region to be either part of ASEAN or of a new association of Southeast Asian states.

"What will be the view of this roundtable?" he asked the Third Asia-Pacific Roundtable Conference on "Confidence Building and Conflict Reduction in the Pacific".

The two-day conference is being attended by 150 people including high ranking government officials from 23 countries including the United States, the Soviet Union, China, North Korea, Japan, France, Vietnam and Malaysia.

Dr Noordin stressed the need for the establishment of an association comprising all Southeast Asian countries as one of the conditions in his 12-point argument for a comprehensive political settlement of the Cambodian issue.

Only six countries in Southeast Asia—Malaysia, Thailand, Indonesia, the Philippines, Singapore and Brunei Darussalam are members of ASEAN. Southeast Asian nations not in the grouping are Burma, Cambodia, Laos and Vietnam.

In his working paper on "The Political Settlement of the Cambodian Conflict", Dr Noordin pointed out the need for total withdrawal of all Vietnamese military troops from Cambodia as one of the components.

Ten other points which he listed were:

"A military ceasefire on all sides and the establishment of internal law and order and security;

"The gradual reduction of military assistance to all present Cambodian parties and with the total withdrawal of Vietnamese armed forces, the complete termination of all military assistance to all present and future Cambodian parties;

"The establishment of a provisional coalition authority, which is subordinate to no other authority, to be headed by Prince Norodom Sihanouk, leader of the UN-recognised Coalition Government of Democratic Kampuchea (CGDK), and with representatives involving the three factions, the CGDK, and the Vietnamese-backed Hun Sen regime.

"The establishment of a standing international conference;

"The introduction of an effective international control mechanism to supervise the withdrawal of Vietnamese troops, cessation of military aid and maintenance of peace in Cambodia.

"The exercise of self determination of the Cambodian people through reasonably free, fair and legitimate elections.

"The establishment of an international guarantee for the status of Cambodia as a sovereign, independent, non-aligned, neutral, peaceful, stable, unthreatening and unpartitioned state.

"The achievement of a minimum level of national reconciliation;

"The establishment of safeguards against the return of the Khmer Rouge to dominant power and against the return of genocidal policies; and

"Repatriation of the Cambodian refugees.

In the paper, Dr Noordin, however pointed out in detail areas of disagreement and questions with regard to the 12 elements of a comprehensive settlement of the Cambodian conflict.

Report on Malaysian Premier's Address

BK1706113989 Kuala Lumpur BERNAMA in English
0552 GMT 17 Jun 89

[Report on 17 June keynote address by Malaysian Prime Minister Mahathir Mohamad to opening session of Third Asia-Pacific Roundtable Conference on "Confidence-Building and Conflict Reduction in the Pacific"]

[Text] Kuala Lumpur, June 17 (BERNAMA-OANA)—Malaysian Prime Minister Mahathir Mohamad Saturday spoke of the need for big powers to recognise the role of small nations in contributing towards global peace.

Stressing that there was no nation too small to contribute to peace, Mahathir said this could be achieved if "each nation puts its own house in order, if it develops its national resilience and if it seeks the dignity and chooses the high ground of independence".

In his keynote address at the Third Asia-Pacific Round-table here, he said small nations, such as Malaysia, had accepted the great role that great powers have to play in the process of reducing tensions, building confidence, and resolving conflicts.

However, he said, important though they are, the contribution that the great powers make must extend beyond the creation of better atmospherics.

On the part of the small nations, citing ASEAN as an example, Mahathir said the (regional) grouping had been and would continue to ensure complete peace return to Southeast Asia. [sentence as received]

The prime minister said the ASEAN grouping had grown from nations of diversity into a community where there is securely in place a structure of understanding and trust, goodwill and active cooperation unprecedented in the history of Southeast Asia.

"What we have now firmly established is a Pax ASEANa, the more remarkable because it is a peace without an imperium," he said.

What was important too was that the ASEAN community constitutes three quarters of Southeast Asian real estate, where three out of four Southeast Asians live and where more than nine tenths of Southeast Asian income is generated.

Mahathir said ASEAN's aim from its first existence was purely to turn the region into a region of peace and cooperative existence. It was for this reason that ASEAN opposed the Vietnamese invasion of Cambodia.

Hoping that Hanoi would keep their words to withdraw their troops by September, he said ASEAN should now stand ready to launch the second phase of regional reconciliation.

"This is the creation of a Southeast Asian system of states that are at peace with each other, involved in a dynamic and vigorous relationship of mutual respect and mutually beneficial cooperation," he added.

He called on Southeast Asian nations not to be at "sixes and fours" and to remove all mistrust and misunderstanding, because a divided Southeast Asia would not be in the interest of any regional state.

"It is in the interest of all of Southeast Asia that we secure a healthy balance of forces, a system open to the world, composed of states which are economically prosperous, socially dynamic, strategically secure, domestically at peace and politically at one.

"Thus we must be prepared for a comprehensive and creative engagement of all the large powers and of Burma, Vietnam, Laos and Cambodia".

Mahathir hoped all the external powers, including those of the mature states of Western Europe and the new, dynamic states of Northeast Asia, to come to Southeast Asia to play legitimate and constructive roles beneficial to all.

"I also support fully the objective of transforming Indochina from a battlefield into a marketplace, a process in which we in ASEAN can play an active role, but a transformation nevertheless that has to be accomplished by the states of Indochina themselves."

The prime minister said all these might not be achieved because so much depended on the removal of Vietnamese troops from Cambodian soil which, he reiterated, they must do.

But, he added, ASEAN must be prepared to play a fully constructive role in the removal of that "roadblock" and ensure the emergence of a Cambodia that is independent, neutral, non-aligned, and peaceful.

He said the Cambodians had suffered enough and it would be a tragedy if there was a return to genocidal policies, for that "we must all do our utmost to prevent the outbreak of civi' war".

Mahathir said any comprehensive political settlement reached must be one that is viable, productive and moral.

He said, "such a solution must recognise the realities on the ground, in the region, and of international politics. Such a solution must secure a meaningful place for Prince Norodom Sihanouk (the United Nations-recognised CGDK president)."

A total of 150 participants from 23 countries including Vietnam's Deputy Foreign Minister Tran Quang Co are taking part in the two-day roundtable organised by the Institute of Strategic and International Studies (ISIS) Malaysia.

The issues for discussion will include the Soviet-American detente, China-Soviet normalisation, Soviet-Japanese cold war, Sino-Vietnamese relations, the Korean conflict, political settlement of the conflict in Cambodia and Southeast Asia beyond Cambodia.

Further on Mahathir Address

BK1706134289 Kuala Lumpur RTM Television Network 1
in Malay 1200 GMT 17 Jun 89

[Text] All countries, whether big powers or small nations, should not remain aloof but instead think of meeting their responsibilities in the nineties. Prime Minister Datuk Sri Dr Mahathir said that it is time for all countries to avoid confrontations and do something better.

[Begin recording] [Correspondent Ganesan] Two hundred participants from 23 countries listened attentively to the prime minister's keynote address when he inaugurated the Third Asia-Pacific Roundtable Conference in Kuala Lumpur. He admitted that big powers have important roles to play in reducing tensions and settling conflicts among countries in the world but these countries should contribute more to creating a more peaceful and prosperous situation.

[Mahathir, in English] I solemnly urge all the external powers from the North, South, East, and West, from the First, Second, and Third Worlds, from the major states of West Europe and the new dynamic states of Northeast Asia to come to Southeast Asia to play legitimate and constructive roles that will be to the benefit of all. I also support fully the objective of transforming Indochina from a battlefield into a marketplace, a process in which we in ASEAN can play an active role. But, the transformation, nevertheless, has to be accomplished by the states of Indochina themselves. Today, we must continue to be patient and to ensure the total removal of Vietnamese troops from Cambodia. There is now every confidence that this will be done by the end of September. It is important that Hanoi keep its word. The traffic cannot move until the obstacle is out of the way.

[Ganesan] Datuk Sri Dr Mahathir also stressed the importance of big powers' recognizing the roles of small countries in achieving world peace. Obviously, not a single country can be considered small in terms of its contributions to peace. This can be achieved if every country consistently manages its respective internal affairs, strengthens national resilience, preserves its dignity, and is capable of standing on its own feet.

[Mahathir, in English] As the prime minister of a small country, I feel it necessary to stress that one of the misconceptions that must be jettisoned at the start is the belief that the smaller states have no role or no significant role to play. To be sure, in the great affairs of man, few can make a difference. But all must try. We can do much more without waiting for a nudge from the big powers at the behest of our own persuasion. It is essential for the ASEAN states to now hammer out the acceptable modalities and the most appropriate institutions. We must stand ready to launch the second phase of regional reconciliation to achieve our ultimate objective—the

creation of a Southeast Asian system of states that are at peace with each other involved in a dynamic and vigorous relationship of mutual respect and mutually beneficial cooperation.

[Ganesan] Datuk Sri Dr Mahathir also urged Southeast Asian countries to remove mutual distrust and misunderstanding because divisions will not benefit any countries.

[Mahathir, in English] It is in the interest of all of Southeast Asia that we secure a healthy balance of forces, a system open to the world, composed of states which are economically prosperous, socially dynamic, strategically secure, domestically at peace, and politically at one. To ensure all this and to prevent hegemonism from any quarters, we of ASEAN must be prepared for a comprehensive and creative engagement of all the large powers, and we must be prepared for the comprehensive and creative engagement of Burma, Vietnam, Laos, and Cambodia.

[Ganesan] Dr Mahathir expressed his confidence in current developments toward peace. He gave two reasons for his optimism over the tendencies of the majority of countries not only in the Pacific region and but also the world over toward seeking peace.

[Mahathir, in English] The first is the demonstrable efficacy and virtues of war by other means, a national extension by other methods. The second is the fact that we have entered an era most likely to be characterized by the primacy of economics. National prosperity and political power will hinge not on the lands that an army can conquer and the number of people that a nation can subjugate, but on the degree of penetration of markets, the extent to which other peoples are reliant on one's financial flows, technology, and domestic market, the extent to which they are dependent on the products that one can provide, and the services that one can render.

[Ganesan] A matter of which we should be aware at present is the development of soft imperialism. They are using brains, not muscles and military power. Dr Mahathir said that not only can the countries concerned achieve national prosperity, but they can also give benefits to other countries.

[Mahathir, in English] If I am right and what we will see in the years ahead are increasing examples of economic expansionism and decreasing attempts at military expansionism, then we can expect much more of our future to be determined by the trading state rather than by the garrison and the military state. This will contribute to the rise of the primacy of economics, a trend that cannot but come increasingly to the fore as ideological passions are dissipated as the cold war winds up, as resort to military means is reduced, and the big and the superpowers and the small powers turn increasingly to economic development and social welfare.

[Ganesan] The third roundtable conference is sponsored by Malaysia's Institute of Strategic and International Studies, ISIS. Matters under discussion include the calm period in U.S.-Soviet relations, the normalization of Sino-Soviet relations, the Soviet-Japanese cold war, the Korean conflict, the Cambodian issue, and post-Cambodia Southeast Asia. [end recording]

Roundtable Conference Conclusion
*BK1906071389 Kuala Lumpur BERNAMA in English
0610 GMT 19 Jun 89*

[Text] Kuala Lumpur, June 19 (OANA-BERNAMA)—The Third Asia-Pacific Roundtable Conference on peace ended here Sunday [18 June] with a consensus among the participants that the world is entering an age that is more promising for peace.

Dr Noordin Sopee, director general of Malaysia's Institute of Strategic and International Studies (ISIS), the organiser of the roundtable, said they agreed to what Prime Minister Dr Mahathir Mohamed said in his keynote address Saturday that the world today is in the age of change and transition which is "more promising for peace than at any time since the Second World War."

Among the factors contributing towards peace as discussed by the participants are the passing of the age of ideology and the rise of pragmatism, he told reporters after closing the conference.

Other factors are the decline in the importance of military capability as economics now "has more power than the gun" and the increasing importance of people's power.

"Everywhere I think governments have to respond to the people's desire for material well-being and social progress. Everywhere, governments have to fight for the hearts and minds of the people," he said.

Noordin said the members of the Asia-Pacific roundtable looked at a whole series of measures that can be taken to increase confidence and trust between countries that are in conflict.

"The Korean conflict appears to be stuck in a situation where there appears to be little chance of forward movement, he said.

However, it is not the case in the conflict in Kampuchea as there are so many things developing, he added.

He cited the pending meeting between Hun Sen, prime minister of the Vietnamese-backed regime in Phnom Penh, and Prince Norodom Sihanouk, president of the

UN-recognised Coalition Government of Democratic Kampuchea, in Paris July 24 and the meeting between the four internal parties in Kampuchea July 25.

He added that France is organising a conference Aug 4 that will try to set up an international control commission which can be introduced in Kampuchea in time to supervise the withdrawal of Vietnamese troops from that country.

"And here, the deputy foreign minister of Vietnam, Tran Quang Co, stated again that it is the promise and the word of Vietnam that they will completely withdraw all their troops by Sept 30 ... with or without a political solution," he said.

Some 150 people, among them high-ranking government officials from 23 countries including the United States, the Soviet Union, China, North Korea, Japan, France, and Vietnam attended the two-day conference.

Soviet Reaction To 'Hot Line' Proposal
*BK1906065789 Kuala Lumpur BERNAMA in English
0621 GMT 19 Jun 89*

[Text] Kuala Lumpur, June 19 (OANA-BERNAMA)—The Soviet Government has expressed its willingness to consider Prime Minister Dr Mahathir Mohamed's proposal for "a hot line" between ASEAN and the superpowers as their legitimate and constructive roles in the region will benefit all.

The head of the Directorate of Evaluation and Planning in the Soviet Foreign Ministry, Dr Vladimir Lukin, told a press conference at the end of the third Asia-Pacific roundtable here Sunday [18 June]: "The Soviet Government will seriously consider the proposal."

Mahathir proposed the hot line when he delivered the keynote address at the roundtable Saturday. He said ASEAN must be prepared for a comprehensive and creative engagement of the superpowers to prevent hegemonism by any quarter.

The head of the Institute of Oriental Studies of the Academy of Sciences in Moscow, Dr Gennadiy Chuffin, also praised the proposal and described it as "a viable one which will greatly contribute towards reducing conflict and building confidence in the Pacific region."

Presenting a working paper at the roundtable earlier, Chuffin said President Gorbachev's recent visit to China symbolised the end of three decades of animosity and effectively normalised Sino-Soviet relations.

He said the most significant characteristic on the new stage in Sino-Soviet relations is the acceptance of the universal concept of peaceful coexistence, mutual respect, and non-interference in each other's domestic affairs.

Japan

Uno To Stress Domestic Economic Expansion Success

OW2006040989 Tokyo KYODO in English 0307 GMT
20 Jun 89

[Text] Tokyo, June 20 KYODO—Prime Minister Sosuke Uno said Tuesday he will stress at the forthcoming Paris summit meeting that Japan has succeeded in achieving its avowed goal of an economic expansion led by domestic demand.

Uno said that at the summit meeting of seven major industrial countries scheduled for mid-July in Paris, Japan will be able to put the figures on the table that indicate it has attained a healthy economic growth without inflation, which was supported by robust domestic demand.

He made the remarks at a monthly meeting of economic ministers.

Uno also predicted that the economy, which has remained on an expansionary track since December, 1986, is likely to keep up the current pace for some more months.

At the same meeting, Bank of Japan Governor Satoshi Sumita said the exchange market has recently shown movements that apparently deviated from the economic fundamentals of major countries.

But tough coordinated moves by major central banks have helped the market regain stability, Sumita said.

Official Says BOJ To Continue Intervention

OW1606050289 Tokyo KYODO in English 0339 GMT
16 Jun 89

[Text] Tokyo, June 16 KYODO—The Bank of Japan [BOJ] will continue yen-supporting intervention on a large scale despite the U.S. dollar's setback against the yen, a bank official said Friday.

"We will do it in a decisive manner as in the past few days," the official said, adding that "in our view the dollar hasn't gone down enough."

The official, speaking on condition of anonymity, said the dollar's plunge came because of the market's inability to digest the massive amounts of dollars the Japanese and other central banks had sold.

Asked to comment on reports that the Australian central bank had intervened in Sydney on behalf of the BOJ, the official said, "I'll not deny the reports. It's helpful that other central banks conduct yen-supporting intervention," he said.

The Reserve Bank of Australia reportedly sold dollars for yen in early Sydney trading Friday.

Separately, Finance Minister Tatsuo Murayama ruled out the possibility of Japan and the United States holding talks over foreign-exchange matters.

Murayama, replying to an opposition question in the Diet, said "There is no immediate need to visit the United States because we have been working in close contact with the U.S. monetary authorities."

Murayama stressed that policy coordination among the Group of Seven (G-7) major industrial nations remains intact, but said foreign-exchange issues will be high on the agenda at a summit meeting of seven major industrial nations to be held in Paris in mid-July.

"The summit will provide an opportunity to reaffirm the importance of foreign-exchange issues and related policy coordination," he said.

Murayama Vows Firm Action Against Dollar Rise

OW1506064689 Tokyo KYODO in English 0455 GMT
15 Jun 89

[Text] Tokyo, June 15 KYODO—Finance Minister Tatsuo Murayama renewed his pledge Thursday to take "resolute" action in concert with other monetary powers against the U.S. dollar's continued rise.

Murayama told reporters the dollar's surge past the 150 yen mark in Tokyo trading earlier in the day was caused by currency speculation, and added it had nothing to do with the fundamental economic strength of the U.S. and Japan.

He expressed concern that the dollar's advance would adversely affect the domestic economy by fanning inflationary pressure through higher import costs.

"We'll take resolute measures under the established system of cooperation with other countries," he said. "We must stop (the dollar's further rise) by using every means available."

But Murayama said he sees no immediate need to call a meeting of finance chiefs of the Group of Seven (G-7) leading industrial countries ahead of the G-7's summit in Paris in mid-July.

The dollar's climb will not last long, he added, suggesting that it is not necessary to tighten credit to help shore up the yen.

Businessmen Concerned Over Dollar's Appreciation

OW1506083489 Tokyo KYODO in English 0704 GMT
15 Jun 89

[Text] Tokyo, June 15 KYODO—Leaders of three major Japanese business organizations said Thursday that the continuing surge of the U.S. dollar may cause instability in foreign exchange markets.

Eiichiro Saito, head of the Federation of Economic Organizations (Keidanren), called for international coordination to stabilize currency markets, based on agreements reached by financial leaders of the Group of Seven (G-7) major industrial countries.

He warned against instability in currency markets resulting from the stronger dollar. He added, however, that it is good that market players were regaining confidence in the world's key currency due to the better-than-expected U.S. economy.

The comments came after the dollar surpassed the 150 yen mark earlier Thursday in the Tokyo foreign exchange market.

Meanwhile, Osamu Uno, head of the Kansai Economic Federation, said the yen is losing ground so quickly that it may cause greater trade friction and affect moves to revamp industrial structure.

The yen is also weakening because of political instability in Japan and the recent turmoil in China stemming from a military crackdown on pro-democracy demonstrators, he said.

Uno said he hoped that Japan will intervene to stabilize the exchange market in coordination with monetary authorities of other countries.

Rokuro Ishikawa, head of the Japan Chamber of Commerce and Industry (JCCI), said that although the weaker yen was partly due to speculation, it reflects the improvement of economic fundamentals in the United States.

Official Concerned About Rising Import Prices
OW1906121789 Tokyo KYODO in English 1150 GMT 19 Jun 89

[Text] Tokyo, June 19 KYODO—A senior official at the Finance Ministry said Monday he is very concerned about a rise in import prices which could trigger inflation in Japan.

The official, who requested anonymity, said the economy is not overheating, although the product market is tightening rapidly.

His remarks were made in response to the release of Japan's gross national product (GNP) for the January-March quarter of this year which showed an inflation-adjusted rise of 2.2 percent from the previous three-month period.

The growth in fiscal 1988, ended March, posted a 5.1 percent increase, slightly up from the 5.2 percent growth in the previous fiscal year.

The official, however, said he fears the recent sharp advance in the value of the U.S. dollar against the yen could have an adverse effect on import prices.

"An increase in domestic demand like private capital spending and consumer spending along with a fall in external demand like exports is good news," he said.

In Fiscal 1988, domestic demand rose 6.8 percent, while external demand declined 1.7 percent.

Cellular Telephones 'New Problem' With U.S.
OW2006050289 Tokyo KYODO in English 0230 GMT 20 Jun 89

[By Shiro Yoneyama]

[Text] Washington, June 19 KYODO—Japan presented new proposals Monday in a bid to avoid trade retaliation from the United States over an alleged lack of access to its telecommunications market, sources said.

The sources said that in advancing the new but unspecified proposals, Japan told the U.S. it has faithfully lived up to agreements entered into under the formula of market-oriented sector-selective (MOSS) negotiations.

The chief Japanese negotiator, Yusai Okuyama, told U.S. trade negotiators that the issue of cellular telephones is "a new problem" not covered by the MOSS agreements, according to a Japanese official.

The official said Okuyama, who is vice minister of posts and telecommunications, pledged efforts by Japan to address "matters which can be dealt with for the promotion of Japan-U.S. relations."

Deputy U.S. Trade Representative Linn Williams led the American delegation to the meeting which will be followed by more substantive discussions on Tuesday.

Both Japanese and U.S. officials said the two countries engaged in clarifying the Japanese presentations on cellular telephones and third-party radio communications during the Monday session which lasted nearly four hours.

"It was a useful meeting," said a U.S. participant. "We're still optimistic" about the outcome of the telecommunications talks, he said.

Japanese and U.S. negotiators devoted a considerable portion of their Monday talks to the third-party radio issue, according to the Japanese official who spoke on condition of anonymity.

"I got the impression that full-scale negotiations have yet to begin," the official said. "We just threw the ball, so to speak, and it's the U.S. turn tomorrow to return the ball."

U.S. Trade Representative Carla Hills said on April 28 that Japan has failed to live up to "several commitments" made under bilateral pacts on giving U.S. cellular phones, third-party radio communications equipment and other products and services access to the Japanese market.

Earlier Monday, U.S. Commerce Secretary Robert Mosbacher told reporters the U.S. expects Japan to make "major concessions" in the telecommunications talks if it is not to impose trade sanctions under the 1988 trade act.

Such concessions will represent "a good sign" on Japan's part, he said after delivering a speech at the Johns Hopkins Foreign Policy Institute.

The latest series of high-level meetings here began as the U.S. was putting the finishing touches to a list of selected Japanese products which will be subject to punitive high tariffs of import curbs.

A Japanese negotiator expressed the hope that the two countries could iron out their differences over the dispute during the Tuesday session.

But a U.S. Government source predicted that an agreement will be unlikely at least until Wednesday or "maybe longer than that." He did not elaborate.

One area where the Japanese took pains to get the message across was Japan's telecommunications licensing policies, the Japanese negotiator said.

Motorola Inc. of the U.S., a pioneer of cellular telephone equipment, is demanding access to the lucrative metropolitan Tokyo area market.

Prime Minister Sosuke Uno's special envoy, Ichiro Ozawa, will arrive here Tuesday afternoon to "support the government-to-government negotiations" on the telecom row, Japanese officials said.

A former deputy chief cabinet secretary, Ozawa was instrumental in producing a Japan-U.S. pact on access to the Japanese construction market.

Ozawa is scheduled to meet Hills on Wednesday in what appears to be the most crucial phase of the ongoing negotiations.

Foreign Minister To Leave for U.S. 25 June

OW2006041089 Tokyo KYODO in English 0233 GMT
20 Jun 89

[Text] Tokyo, June 20 KYODO—Foreign Minister Hiroshi Mitsuzuka will leave Sunday for a four-day visit to the United States, the Foreign Ministry announced on Tuesday.

Mitsuzuka will meet Secretary of State James Baker in Washington on Monday.

He plans to meet President George Bush and Secretary of Commerce Robert Mosbacher the same day before flying to New York, officials said.

Mitsuzuka is scheduled to return to Tokyo on Wednesday.

Ministry 'Displeased' With Firms Return to PRC

OW2006040789 Tokyo KYODO in English 0301 GMT
20 Jun 89

[Text] Tokyo, June 20 KYODO—A top Foreign Ministry official again expressed displeasure Tuesday with Japanese business corporations rushing their personnel back to China as the unrest there is subsiding.

The official, who talked with reporters on condition of anonymity, said he cannot understand why the business people are returning to Beijing, still under martial law, in the guise of tourists.

The official said the business world should share the humanitarian perceptions of the rest of the international community since Japan is a member of it.

Foreign Minister Hiroshi Mitsuzuka, speaking at a session of the House of Councillors Foreign Affairs Committee last Friday, said he has received criticism from abroad that "Japan is trying to make money like a thief at a fire."

The Foreign Ministry has already asked business organizations not to resume business in Beijing, officials said.

Government To Grant Aid to Indonesia

OW2006074289 Tokyo KYODO in English 0721 GMT
20 Jun 89

[Text] Tokyo, June 20 KYODO—Japan has agreed to provide Indonesia with a total of 4,852 million in grant-in-aid, the Foreign Ministry said Tuesday.

Of the total, 2,075 million yen will be used to build a plant to produce vaccines against polio and measles.

The total also includes 1,441 million yen to help Indonesia build a habitat research institute and 1,336 million yen to construct a first-aid hospital in Bali.

Import Curbs on Australian Beef Eased

OW1506115589 Tokyo KYODO in English 0910 GMT
15 Jun 89

[Text] Tokyo, June 15 KYODO—Japan has finally agreed to relax regulations on imports of chilled beef from Australia under a special trading formula, the Ministry of Agriculture, Forestry and Fisheries said Thursday.

Ministry officials said the agreement came at a bilateral working-level meeting held in Canberra earlier this month as a stopgap measure until Japan fully liberalizes beef imports over the next three years.

Japan has agreed to regard chilled beef produced from some 56 percent of a cow as a full set, slightly lower than the 60 percent demanded by Japan to recognize it as a full set for imports under the so-called direct deal formula, they said.

Japan currently allows imports of chilled beef only in a full set or beef produced from the whole cow under the same formula.

Australia, however, objected to the regulation, arguing that chilled beef produced from 12 parts of a cow should be regarded as a full set.

At present, all beef imports must be channeled through the government-financed Livestock Industry Promotion Corp. in principle until they are liberalized in April 1991.

Trading firms can import beef in direct deals with foreign suppliers for a portion of Japan's beef import quota allotted to the corporation.

Imports of Australian chilled beef under direct deals between Japanese importers and Australian suppliers have come to a virtual halt as a result of disagreement over interpretation of specifications of beef to be imported by Japan.

The latest accord will pave the way for some of the Australian chilled beef so far shut out from the corporation's auction to come into the Japanese market, prompting Australian and U.S. export competition, the officials said.

Australia raises beef similar in quality to Japan's dairy cattle, but it has been in less demand in Australia, and will therefore remain unsold unless Japan buys it.

But the United States currently does not produce beef tailored to the Japanese market, and so Japan can duly cope with the situation by categorizing U.S. beef as loin and carcass meat.

Conservative Incumbent Mayors Reelected in Chiba

OW1906020789 Tokyo KYODO in English 0022 GMT 19 Jun 89

[Text] Chiba, June 19 KYODO—Conservative incumbent mayors were reelected in Sunday's elections in Chiba, Funabashi and Matsudo, the three largest cities in Chiba Prefecture neighboring Tokyo.

Asahi Matsui, 60, was reelected to his fourth term in Chiba, Kazuo Ohashi, 60, to his third term in Funabashi and Masuo Miyama, 65, to his fifth term in Matsudo.

Their challenger appealed against the Recruit stock trading and bribery scandal and the consumption tax introduced in April but failed to garner enough votes to defeat the incumbent mayors.

The elections were the first major ones in the Tokyo metropolitan area since investigations into the Recruit scandal were concluded and Prime Minister Sosuke Uno's cabinet was formed.

The election results may affect the coming elections of the Tokyo Metropolitan Assembly and House of Councillors this summer, political analysts said.

In Chiba, Matsui, supported by the Liberal Democratic party (LDP) and the Democratic Socialist Party (DSP), defeated Yoshito Ogawa, 55, of the Japan Socialist Party (JSP), and two other challengers.

Incumbent Funabashi Mayor Ohashi, also backed by the LDP and DSP, defeated Shoji Matsumoto, 50, supported by the JSP, the United Social Democratic Party (Shaminren) and Salaried Workers' Party, and two other candidates.

In Matsudo, Miyama, backed by the JSP, DSP, and Shaminren, defeated Yasuo Suzuki, 54, supported by the Japan Communist Party, and two other candidates.

Miyama ran on the LDP ticket in the last election but he seceded from the party to run as an independent this time.

Mongolia

Plan To Join Nonaligned Movement Announced

OW1806120989 Ulaanbaatar International Service in English 0810 GMT 17 Jun 89

[Text] Mongolia plans to officially join the Nonaligned Movement during the celebrations of its jubilee in [name indistinct]. This was made public by Mongolian Foreign Ministry official [name instinct] at the press conference in Ulaanbaatar. Speaking there he said that Mongolia is reconsidering its position in the United Nations which was characterized by ideological rather than vital interests of the country. Previously Mongolia was too much engaged in global issues without due account of its weight on the international arena. But now it will proceed from that Mongolia is an Asian country, said [name indistinct].

UNEN Cites Hopes for Gorbachev FRG Visit

OW2006081589 Ulaanbaatar International Service in English 0810 GMT 17 Jun 89

[Text] Commenting on the outcome of Mikhail Gorbachev's visit to FRG, the daily UNEN writes that Soviet perestroika and the new mode of political thinking drew keen interest in Western states, having a positive effect on the development of East-West cooperation. The paper describes the exchange of summit visits as a positive change in Soviet-West German relations. The paper expresses the hope that the present visit of the Soviet leader to the Federal Republic of Germany will

contribute to the improvement of East-West relations, insurance of common European security, and normalization of international political climate as a whole.

Friendship Delegation Returns From Azerbaijan
*OW1906062489 Ulaanbaatar MONTSAME in Russian
1341 GMT 15 Jun 89*

[Text] Ulaanbaatar, 15 Jun (MONTSAME)—The delegation of the Mongolian public [as heard] led by C. Suren, deputy chairman of the MPR [Mongolia People's Republic] and deputy chairman of the Mongolian-Soviet Friendship Association Central Council, returned home today.

The MPR delegation took part in the Days of the MPR which were held in Soviet Azerbaijan, devoted to the 68th anniversary of the Mongolian people's revolution.

Afghan Delegation Continues Ulaanbaatar Visit
*OW2006081189 Ulaanbaatar MONTSAME in Russian
1349 GMT 15 Jun 89*

[Text] Ulaanbaatar, 15 Jun (MONTSAME)—The delegation of the National Council of the Republic of Afghanistan led by Helaludin Badri, deputy chairman of the Senate House of the Council of Afghanistan, which is visiting our country at the invitation of the MPR [Mongolian People's Republic], today visited the Central State Museum and knitwear factory No 2.

The delegation also visited kindergarten No 58 where about 20 Afghan children attend.

T. Gombosuren, MPR minister of foreign affairs, met the delegation and held a friendly talk with it.

On the same day, the delegation attended a performance of Mongolian circus artists.

Gombosuren Receives Outgoing Cambodian Envoy
*OW2006081389 Ulaanbaatar MONTSAME in Russian
1338 GMT 16 Jun 89*

[Text] Ulaanbaatar, 16 Jun (MONTSAME)—T. Gombosuren, minister of foreign affairs of the Mongolian People's Republic [MPR], received Hor Nam Hong, ambassador extraordinary and plenipotentiary of Cambodia to the MPR, in connection with the completion of his mission in our country.

Supreme Court Views Environmental Protection
*OW1906062689 Ulaanbaatar MONTSAME in Russian
1343 GMT 15 Jun 89*

[Text] Ulaanbaatar, 15 Jun (MONTSAME)—An expanded plenum of the MPR [Mongolian People's Republic] Supreme Court held here today discussed intensification of work in environmental protection and rational use of natural resources.

On this question B. Dangasuren, first deputy chairman of the MPR Supreme Court and chairman of the Judicial Collegium for Criminal Cases, gave a report.

The plenum especially emphasized the importance of consistent implementation of measures to intensify work in protecting nature and natural resources and outlined further tasks calling for increased responsibility for the violation of related laws and regulations.

The plenum paid great attention to the pollution of important natural resources, such as water, forests, soil, arid basins, and the erosion of soil, caused by the irresponsibility of a number of people and resulting eventually in natural imbalances.

The plenum noted that many violations of the law on environmental protection have been reported lately, resulting in great losses to the state. Presently, the unsatisfactory situation in finding lawbreakers and compensation for the damage inflicted shows that the present procedures of organs responsible for environmental protection and law enforcement lags far behind contemporary demands.

The plenum adopted a resolution "on the judicial practice of solving crimes against the system of protecting nature and its resources."

North Korea

North Proposes Resuming Parliamentary Talks
*SK2006102489 Pyongyang KCNA in English 1008 GMT
20 Jun 89*

[Text] Pyongyang June 20 (KCNA)—Chon Kum-chol, head of the North delegation to the Panmunjom meeting of parliamentarians of the North and the South for a North-South joint parliamentary meeting, today sent a letter to his South Korean counterpart Chae Mun-sik.

The letter points out that the Panmunjom meeting of parliamentarians of the North and the South has been stalled for six months since December 29 last year entirely because the South Korean authorities staged the "Team Spirit 89" joint military maneuvers together with foreign forces for an attack on the other party to dialogue.

The letter continues:

If your side is truly interested even a little in promoting the Panmunjom meeting of parliamentarians of the two sides, it should have taken a measure in time to stop the "Team Spirit 89" joint military maneuvers and should have accepted our side's constructive proposal for adopting the issue of suspending the "Team Spirit" maneuvers as an agenda item of the North-South parliamentary representatives' meeting.

Your side, however, made no sincere effort to remove the factor obstructive to dialogue while saying that the authority of the National Assembly had risen higher than ever before.

Your side is still trying to shift the blame for the suspension of the Panmunjom meeting on to the other, glossing over the anti-dialogue, anti-reunification nature of the "Team Spirit" maneuvers.

This is not a sincere attitude toward dialogue. If your side maintains this attitude toward dialogue, no success is expected from the dialogue even if the dialogue takes place a hundred times.

As a matter of fact, our side was willing to resume the Panmunjom meeting of parliamentarians of the North and the South immediately after the "Team Spirit 89" maneuvers.

But, the authorities of your side laid a new grave obstacle in the way of our meeting even before the end of the maneuvers.

The authorities of your side arrested on unreasonable charges Rev. Mun Ik-hwan who had visited Pyongyang at our official invitation and held an open discussion with our side on the problem of national reunification, and intend to try and punish his companion on groundless charges of being a "spy," thus aggravating the relations between the North and the South as never before.

In fact it cannot but be a mockery of the dialogue partner to talk about dialogue, while creating one hurdle after another in the way of the dialogue.

We express deep regret at it.

What is urgently required of the North and the South now is not an empty talk about meeting with each other but to create a climate of a meeting and have a sincere position and stance to practically resolve matters at meeting.

From this point of view we consider that your side should set free Rev. Mun Ik-hwan who was arrested unreasonably, linking him with us, and show sincerity to take a step to create an atmosphere of dialogue.

Regarding it as a manifestation of the stand to remove obstacle in the way of North-South dialogue that your side proposed the resumption of Panmunjom meeting of parliamentarians of the North and the South, and considering the ardent desire of the South Korean people for reunification and of Rev. Mun Ik-hwan in the prison for the continuation of the North-South dialogue, we decided to resume the Panmunjom meeting of parliamentarians of the North and the South.

It will be appropriate to fix June 28 for the eighth round of the Panmunjom meeting of parliamentarians.

Chae Mun-sik Sends Letter

SK2006093189 Pyongyang Domestic Service in Korean
0800 GMT 20 Jun 89

[Letter to Chae Mun-sik, senior delegate of the South side's delegation to the North-South meeting of parliamentarians, from Chon Kum-chol, head of the North side's delegation, delivered on 20 June]

[Text] To Chae Mun-sik, senior delegate of the South side to the Panmunjom meeting of the two sides' parliamentarians for North-South parliamentary talks:

The meeting between North-South parliamentarians has been suspended for 6 months, since 29 December last year. As already indicated by our side in our 8 February statement, the suspension of the Panmunjom meeting between North-South parliamentarians is totally attributable to the fact that the authorities of your side persistently conducted the "Team Spirit-89" joint military exercise, a large-scale war exercise to attack the other side of dialogue with foreign forces.

If your side had been truly interested at all in making progress in the Panmunjom meeting of both side's parliamentarians, it should have taken timely measures to stop the "Team Spirit-89" joint military exercise, and furthermore, it should have accepted our side's constructive proposal for adopting the matter of stopping the "Team Spirit" joint military exercise as an agenda item in the talks between delegates of North-South Assemblies.

While paying lip service to the fact that the status of the National Assembly has been further exalted than in the past, your side has failed to show any sincerity in removing this obstacle to dialogue.

Even today, your side is trying to shift responsibility for the suspension of the Panmunjom meeting onto the other side while glossing over the antidualogue and antireunification nature of the "Team Spirit" joint military exercise. This is not a sincere attitude toward dialogue. If dialogue is held with this attitude, we can never expect any success even if we sit face to face with each other hundreds of times.

In fact, our side was going to resume the Panmunjom meeting between North-South parliamentarians shortly after the "Team Spirit-89" joint military exercise.

However, the authorities of your side laid another new grave obstacle in the way of our meeting even before the "Team Spirit-89" joint military exercise ended. The authorities of your side arrested and jailed with an absurd excuse Rev. Mun Ik-hwan, who returned home after he visited Pyongyang upon our official invitation and who had openly discussed the matter of the country's reunification with our side, and have been trying to

judge and punish him and his entourage on unreasonable charges of spying, thus aggravating the North-South relations in an unprecedented way.

Talking about dialogue while repeatedly laying obstacles in the way of dialogue in this manner, indeed, cannot but be viewed as nothing but a mockery of the other side of dialogue.

We express deep regret over this.

What is urgently required between the North and the South at present is not empty talk about a meeting with each other, but creating an atmosphere for a meeting and taking a sincere stand and attitude of trying to meet and substantially solve problems.

Proceeding from this point of view, we think that your side should show sincerity by releasing Rev Mun Ik-hwan, who has been unjustly arrested by involving our side, and by taking measures to create an atmosphere of dialogue.

We have decided to hold the Panmunjom meeting between North-South parliamentarians again by regarding your proposal for resuming the Panmunjom meeting between both sides' parliamentarians this time as expressing the stand of trying to remove obstacles to North-South dialogue and by taking into consideration the aspirations of the South Korean people for reunification and particularly the eager wishes of Rev Mun Ik-hwan, who desires the continuation of North-South dialogue even though he is in prison.

As for the date of the eighth round of the Panmunjom meeting between both sides' parliamentarians, 28 June would be appropriate.

[Signed] Chon Kum-chol, head of the North side's delegation to the Panmunjom meeting between both sides' parliamentarians for North-South joint parliamentary talks
[Dated] 20 June 1989, Pyongyang

Red Cross Letter To Be Delivered on 22 June
*SK2006052589 Pyongyang Domestic Service in Korean
0500 GMT 20 Jun 89*

[Text] Son Song-pil, chairman of the DPRK Red Cross Society Central Committee, sent today a telephone message to the President of the South Korean Red Cross.

The message reads:

To Kim Sang-hyop, president of the Korean National Red Cross:

I will send two liaison personnel to the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 1000 on 22 June, Thursday, 1989, to deliver a letter to you. I hope your side will take measures equivalent to this.

[Dated] 20 June 1989

[Signed] Son Song-pil, chairman of the DPRK Red Cross Society Central Committee

Catholic Priest, Party Depart Pyongyang

*SK1906114989 Pyongyang KCNA in English 1117 GMT
19 Jun 89*

[Text] Pyongyang June 19 (KCNA)—South Korean Roman Catholic Father Mun Kyu-hyon and his party left Pyongyang on June 19 by plane after visiting the northern half of the republic.

During their stay, they went round Pyongyang and local areas.

Mun visited the Changgwang kindergarten. Seeing the children growing happily in the bosom of the great leader President Kim Il-song and the Workers' Party of Korea, he said that a reunified country, not a divided one, must be handed over to the posterity.

He told reporters impressions he gained in Pyongyang.

He said:

While touring various places during my stay in the North, I met many people who all wanted the reunification of the country.

Each time I met them, I keenly felt that the one and the same nation cannot live divided and the country must be reunified under all circumstances.

If the country is to be reunified, a great national unity must be achieved, irrespective of differences in ideology, ideal and system and the Armistice Agreement be replaced with a peace agreement.

On my way to Panmunjom, I learned that the express highway between Pyongyang and Kaesong has been built by soldiers. This one fact was enough to convince me that the North is not preparing for a war but is directing efforts to peaceful construction.

Saying there is no ground for the U.S. troops to remain in the South, Mun stated:

The U.S. troops must be withdrawn from the South.

The "Team Spirit" military game is staged in South Korea every year. This hinders the reunification of the country. It is natural, therefore, that the U.S. troops should get out of South Korea.

National reunification is a cherished desire of the Korean nation, the solution of which brooks not a day's delay.

Daily Condemns Blocking Students From Festival
*SK2006055089 Pyongyang KCNA in English 0457 GMT
20 Jun 89*

[Text] Pyongyang June 20 (KCNA)—The No Tae-u group is getting more obstinate in refusing to allow the South Korean youth and students to participate in the Pyongyang festival. The "Democratic Justice Party," its private political party, is branding the festival as a "rally of the world communist youth and students."

This is a flagrant challenge to the desire of the South Korean youth and students for participating in the Pyongyang festival and a desperate effort to ban their participation in the festival, stresses MINJU CHOSON today.

The news analyst says:

The No Tae-u group's argument that the world festival of youth and students to be held in Pyongyang is a "rally of the world communist youth and students" is an out-and-out unreasonable one that can convince no one.

The far-fetched allegation of the No Tae-u group is no more than a pretext to block the participation of South Korean youth and students in the Pyongyang festival.

The world festival of youth and students will be held in Pyongyang. This is the first of its kind in Asia in more than 40 years of the festival history. It is a great pride and joy for the youth and students and other people in the North and the South and a common jubilee of the nation. If South Korean youth and students participate in the festival, it will help promote national reconciliation and unity between the North and the South and accelerate the reunification of the country, and it will do nothing bad. But, the puppets are blocking the South Korean youth and students from coming to the North under a preposterous pretext. This only brings into bolder relief their anti-national, anti-reunification position.

The No Tae-u group must give up its treacherous acts of blocking the righteous trip to the North of South Korean youth and students under a preposterous pretext and immediately open the way for them to participate in the festival.

South Students Struggle for Pyongyang Festival
*SK1606155989 Pyongyang KCNA in English 1545 GMT
16 Jun 89*

[Text] Pyongyang June 16 (KCNA)—Rallies for participation in the Pyongyang festival and demonstrations demanding the resignation of the No Tae-u "government" were held at 11 universities across South Korea on June 15, according to a report.

1,000 students of Sogang University took to the street after a rally and hurled stones at riot police, shouting "government", guarantee participation in the Pyongyang festival".

Their demonstration continued many hours.

4,000 students of six universities decisively refused the terminal examinations demanding that they be allowed to participate in the Pyongyang festival.

Meanwhile, 8,000 students of 18 universities across South Korea held rallies on the same day, demanding a probe into the cause of Yi Chol-kyu's death.

The Seoul branch of the "National Trade Union of Teachers" ("Chongyojo") was inaugurated that day."

300 teachers promptly changed the venue of the inaugural meeting to Seoul University when the fascist clique attempted to totally block it by posting a police force of 32 companies 4,500 strong around Konguk University designated for it.

200 teachers of Kyonggi Province formed a Kyonggi branch of "Chongyojo" at Aju University in Suwon on June 14.

On the same day teachers of Tangsan middle school in Seoul staged an all-night sit-in in protest against the fascist clique's suppression of teachers concerned with "Chongyojo."

South Youth Council Decides To Attend Festival
*SK1906153689 Pyongyang KCNA in English 1519 GMT
19 Jun 89*

[Text] Pyongyang June 19 (KCNA)—The South Korean Christian Youth Council declared today that it would participate in the 13th World Festival of Youth and Students to be held in Pyongyang, according to a report.

The council announced that it decided to form a participation team to the Pyongyang festival along with "Chondaehyop" from the dimension of the "realisation of independent exchange of non-governmental level."

The council said it would confirm a 40-member delegation consisting of representatives from 6 affiliated religious bodies and 21 districts till June 23.

Analyst Criticizes Wounding of Students
*SK1906045289 Pyongyang KCNA in English 0436 GMT
19 Jun 89*

[Text] Pyongyang June 19 (KCNA)—The No Tae-u military fascist clique wounded some 1,000 students and citizens during their peaceful demonstrations for a probe into the truth behind the death of Yi Chol-kyu and walked away some 1,600 students a day on June 11 who were in their peaceful demonstration calling for participation in the Pyongyang festival.

The No military fascist clique's suppression of the people has become all the more cruel and brutal, the news analyst of NODONG SINMUN today says, adding:

The traitor No Tae-u has hurled the puppet police and even the puppet armed forces in the indiscriminate suppression of the patriotic forces calling for independence, democracy and reunification. Terming the patriotic forces "leftist pro-communist forces attempting to overthrow the system," the traitor piffling that to squarely counter and overpower them is the "primary task of the 'government' at present".

The No Tae-u group's fascist outrages against the patriotic, democratic forces have given a rise to bitterer resentment among the people.

The students and people have turned the whole land of South Korea into a theatre of anti-U.S., anti-dictatorial struggle, shouting "Yankee go home" and "Down with No Tae-u".

The No group which brandishes bayonets wildly against the people to remain in power cannot go scotfree.

CPRF Condemns South's Teachers Union Policy
*SK2006052689 Pyongyang KCNA in English 0449 GMT
20 Jun 89*

[Text] Pyongyang June 20 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its Information No. 550 Monday condemns the South Korean puppet clique for viciously intensifying its fascist suppression of the "National Trade Union of Teachers."

According to the information, the traitor No Tae-u told members of the "Advisory Council of Educational Policy" on June 16 that any form of trade union of teachers must not be allowed institutionally or in fact.

His utterances are a fascist announcement to stamp out all democratic elements with harsher suppression and an open challenge to the democratization of education, the information says, and stresses:

The No Tae-u group is resorting to high-handed fascist suppression, threatening that the trade union of teachers would not be allowed in South Korea. This is a total violation of the democratic rights of teachers and a revelation of its intention to block democracy in the field of education and abuse education as a tool for the "security of the government" and the defence of the fascist system and a tool for spreading the anti-communist idea.

The more frantically the No Tae-u fascist clique is suppressing the trade union of teachers by the old fascist law of the dictatorship era of the "Fifth Republic," the more fiercely the protests of South Korean teachers and students against it will expand and develop.

Soviet Delegate on Youth Festival Preparations
*SK2006051189 Pyongyang KCNA in English 0443 GMT
20 Jun 89*

[Text] Pyongyang June 20 (KCNA)—The Pyongyang festival is being prepared more excellently, preserving all the characters of the preceding festivals and, actually, will be held so, said a delegate of the Soviet preparatory committee for the 13th World Festival of Youth and Students in Pyongyang.

APN published his press statement.

The statement said:

the youth and students of Korea together with the entire working people, are preparing functions of the festival in a responsible manner. The opening and closing ceremonies of the festival and other cultural events will be more beautiful and interesting than ever before.

Never-to-be-seen excellent conditions have been provided in Pyongyang for guests to the forthcoming festival. A new street has been completed where everything is furnished, so that young people may meet with each other and spend pleasant time.

Delegates to the festival will never forget so cheerful and interesting functions of the festival.

The relations between the Lenin Young Communist League of the Soviet Union and the League of Socialist Working Youth of Korea are activated and friendship, cooperation and mutual understanding between the young men of the two countries are deepening.

Stages Ready for Art Performances
*SK1606050689 Pyongyang KCNA in English 0446 GMT
16 Jun 89*

[Text] Pyongyang June 16 (KCNA)—Theatres, halls, outdoor stages in parks and recreation grounds and boat stages on the Taedong River, where the international art festival, international art performances, international solidarity art performances, home cultural and art functions and other art performances and functions of the 13th World Festival of Youth and Students will be held, have been arranged marvellously.

More than 100 places for cultural and art functions have been appointed in different parts of the festival city of Pyongyang.

The east Pyongyang grand theatre, Pyongyang International House of Cinema and a circus theatre which were completed recently and the Pyongyang Grand Theatre, the Ponghwa Art Theatre and other existing theatres are now fully ready for the successful international art festival and performances of national delegations.

Beautifully decorated boat stages are afloat on the Tae-dong River and outdoor stages set up at parks and recreation grounds in peculiar styles to add to the atmosphere of the festival.

Above 40 national clubs have their stages well prepared for art performances of national groups in the festival.

The place of the international folk art festival and dancing grounds have been arranged at the Taesongsan Recreation Park and other scenic spots.

Pyongyang has made full preparations to greet the festival guests.

Editorial on Ties With Socialist Countries

*SK1806085389 Pyongyang KCNA in English 0826 GMT
18 Jun 89*

[“Ever Tightening Bonds of Friendship”—KCNA headline]

[Text] Pyongyang June 18 (KCNA)—NODONG SIN-MUN today dedicates an editorial article to the fifth anniversary of the goodwill visit paid by the great leader Comrade Kim Il-song to the Soviet Union and other European socialist countries at the head of a party and state delegation.

His visit to the Soviet Union and other European socialist countries marked a historical event which powerfully demonstrated the developing traditional friendship between Korea and fraternal socialist countries and the unity and solidarity of the socialist forces and the international communist movement and strengthened the international solidarity with the Korean revolution, says the article, adding:

The great leader Comrade Kim Il-song said:

“We must unite and cooperate closely with socialist countries on the principles of chajusong and comradely cooperation and strengthen militant solidarity with them in the joint struggle for peace against imperialism.”

Friendship between Korea and other socialist countries is one between class brothers forged on the basis of Marxism-Leninism and proletarian internationalism in the joint struggle against imperialism and for the victory of the cause of peace, socialism and communism.

Over the past five years friendship between Korea and the European socialist countries including the Soviet Union has constantly developed in all fields in the spirit agreed upon at the summit meetings.

The Workers' Party of Korea [WPK] and the DPRK Government have made every possible effort to consolidate and develop the successes achieved during the historical visit of Comrade Kim Il-song, taking it as a consistent line to constantly strengthen and develop the

friendly and cooperative relations with the fraternal socialist countries and cement the unity and solidarity among the socialist countries and the international communist movement.

The world is gradually heading for detente thanks to the struggle of the socialist countries and other world peace-loving forces. But the U.S.-led imperialists are giving spurs to arms expansion and nuclear war preparations, while giving lip-service to “peace” and “detente”, the article notes, and continues:

To oppose war and safeguard peace is an essential demand of socialism and its noble task.

The Soviet Union and other European socialist countries have taken one constructive peace initiative after another to realise general disarmament including nuclear arms reduction, establish nuclear free zones in different regions of Europe, prohibit chemical weapons and preserve peace and security in Europe and the rest of the world and have taken positive measures for their materialization.

The Korean people highly estimate the efforts bent by the socialist countries to defend peace and security in Europe, Asia and the rest of the world and healthily develop the universal situation and extended full support and solidarity for them.

The parties, governments and peoples of the Soviet Union and other European socialist countries have expressed full support to and solidarity with the Korean people in their struggle for socialist construction and the peace and peaceful reunification of the country.

It is the principled stand and basic policy of the WPK to strengthen friendship and solidarity with other socialist countries and develop in scope the cooperative relations with them.

The Korean people will advance hand in hand with the peoples of the fraternal socialist countries in the joint struggle against imperialism and for the victory of the cause of peace, socialism and communism, while further consolidating the brilliant successes achieved by the respected leader Comrade Kim Il-song during his visit to the Soviet Union and other European socialist countries.

Cambodian Resistance Delegation Arrives

*SK1906152789 Pyongyang KCNA in English 1515 GMT
19 Jun 89*

[Text] Pyongyang June 19 (KCNA)—A delegation of Kampuchean National Resistance Forces led by Khieu Samphan, vice-president for foreign affairs of Democratic Kampuchea, arrived in Pyongyang today to hold a working meeting which will be presided over by His Royal Highness Samdech Norodom Sihanouk, president of Democratic Kampuchea and leader of Kampuchean National Resistance Forces.

It was met at the airport by Sihanouk's Non Norodom Narindrapong, acting general secretary of Sihanouk's office Chhorn Hay, and Ambassador of Democratic Kampuchea to Korea Son Chhum.

Also present there were Vice-Minister of Foreign Affairs Kim Hyong-yul and Chinese Ambassador to Korea Wen Yezhan.

Paper Alleges Japanese 'Militaristic Ambition'
*SK2006061089 Pyongyang KCNA in English 0453 GMT
20 Jun 89*

[Text] Pyongyang June 20 (KCNA)—Japanese Foreign Minister Mitsuzuka recently claimed that "Japan's right to self-defence encompasses even the space and high seas, going beyond the border."

His remarks show well how wild the Japanese reactionaries' militaristic ambition for overseas aggression is, says the news analyst of NODONG SINMUN today, adding:

The Japanese reactionaries are now trying to dispatch their aggression forces to any country and any ocean and even to the space under the pretext of "self-defence."

They are virtually biding their time for overseas reinvansion after finishing preparations to this end.

What remains to do now is to find a pretext for the overseas dispatch of the "Self-Defence Forces."

They want to see the curtain-raiser to the overseas expansion on the Korean peninsula.

They set the Korean peninsula as the first target of their overseas aggression and the operational region of the "Self-Defence Forces" and worked out even a plan to take part in the Korean war of aggression together with the U.S. imperialists.

Very dangerous is Japanese Samurai's design to realise the broken old dream of "Greater East Asia Coprosperity Sphere."

The Korean and other Asian peoples are closely watching the movement of the Japanese reactionaries.

New Urban Management Minister Appointed
*SK1706002589 Pyongyang Domestic Service in Korean
2100 GMT 16 Jun 89*

[Decree issued by Central People's Committee]

[Text] The DPRK Central People's Committee appoints Comrade Yi Chol-pong as minister of the Urban Management Ministry of the State Administration Council.

[Signed] Kim Il-sung, president of the DPRK

[Dated] 1 June 1989, Pyongyang

SKNDF Statement on Firing Range Incident

*SK1806105289 (Clandestine) Voice of National Salvation in Korean to South Korea 0300 GMT
4 Jun 89*

[Text] of statement issued by the spokesman for the South Korean National Democratic Front (SKNDF) on 3 June]

[Text] As has already been reported, a large-scale clash has broken out between residents of Maehyang-ri, Hwasong County, Kyonggi Province, and U.S. occupation forces.

This incident was a result of the tyrannical act of the U.S. Air Force of trying to rob the residents of their land to use it as a parking lot. The residents of this village who have for decades tilled their land, which is located inside a U.S. military firing range, under the constant threat on their lives went to the U.S. military base to stage a sit-in protest against the authorities of the U.S. Air Force base, who tried to level even their rice paddies to use them as military facilities.

In the course of a tough anti-U.S. struggle, the enraged residents destroyed a total of 22 pieces of military equipment, including 19 U.S. military vehicles. The U.S. troops and police that rushed to the scene inflicted heavy injuries on several residents engaged in a sit-in through their indiscriminate suppression and took about 20 of them to a police station. They are still looking for those involved in the sit-in after placing them on a wanted list.

This incident is important and cannot be overlooked because it has intensely exposed the South Korean people's anti-U.S. sentiment, the tyrannical nature of the United States, and the traitorous nature of the ruling authorities.

The sit-in that the Maehyang-ri residents staged after occupying the U.S. military firing range, an explosion of their pent-up frustration over the U.S. occupation forces and their colonial rule, was not only a natural resistance to defend their right to existence, but also a patriotic struggle that reflected our masses' aspirations for independence against the United States.

The occupation of and colonial rule in South Korea by the U.S. forces has forced our people to live like slaves and have their right to existence trampled underfoot in their own land by alien troops. And they are now forced to live even under the danger of perpetual division of the nation as well as of nuclear war.

In particular, the occupation of South Korea by the U.S. troops has deprived our peasants of their farming land, their means to existence, by turning them into military bases; the U.S. policy of forcing colonies to buy U.S.

farm and livestock products has ruined our farming; and U.S. pressure on South Korea to open up markets has driven our farmers to the point where even their living is threatened.

Now, how can they remain spectators to the tyranny of U.S. occupation forces of even leveling their rice paddies to turn them into parking lots?

The fact that the residents of Maehyang-ri staged a sit-in in the U.S. military base and destroyed U.S. military vehicles and equipment was, as a matter of fact, an explosion of their indignation against the aggressors and a punishment that the provocateurs deserve. The U.S. forces, the aggressors and provocateurs, have no words to respond to this.

Nonetheless, the U.S. Air Force whimsically descended upon the residents of the village and employed violence against them, just as a thief calls others theives. This is nothing but intolerably violent exclusivism against other nations?

How can the United States reign over a country after occupying it? How can it stretch its hand to level somebody else's crop lands and beat up the owners because they offered resistance? This is a crime that can be committed only by the U.S. imperialist beasts who do such things as plundering villages in broad daylight, raping women, letting loose dogs so that they can bite farmers weeding fields, and hunting girls picking wild edible greens, just as if they were shooting at pheasants for pleasure.

So, it is none other than the U.S. troops that have been caught redhanded on the spot of the crime and who should be punished by criminal law.

However, the No Tae-u regime brutally suppressed those in the sit-in, the victims, and brought criminal charges against all of the participants in the sit-in, while protecting the U.S. troops. This is nothing but an antinational act designed to subdue the anti-U.S. sentiment growing among our people and keep the U.S. troops stationed in this land indefinitely. It clearly shows that the No Tae-u ring is a group of traitors far worse than the five enemies of Ulsan [the year when the Protectorate Treaty was signed between Korea and Japan in 1905] and that they are dogs, faithful only to the United States.

The U.S. troops are the source of all evils in this land, and the No Tae-u regime is the protector of the U.S. troops.

Under no circumstances will our people condone criminal acts committed by the U.S. imperialist troops of aggression and all forms of toadyist and traitorous acts committed by the No Tae-u regime.

The United States should withdraw its troops stationed in South Korea along with military bases, and the pro-U.S. No Tae-u dictatorial regime, which, standing on the side of the aggressors, suppresses its own people, should step down without delay.

Through a fierce anti-U.S. struggle and antigovernment struggle, our people will usher in, without fail, a new dawn of independence, democracy, and reunification after driving out the U.S. troops and their military bases and after removing the pro-U.S. No Tae-u dictatorial regime.

[Dated] 3 June 1989

South Korea

Debate Over U.S. Forces Viewed as 'Hot Potato'
SK2006015389 Seoul SEOUL SINMUN in Korean
16 June 89 p 3

[“Today’s Eye” column by Chang Su-kun, deputy director of the International Department: “‘Hot Potato’ Discussion Over the Withdrawal of the U.S. Forces in Korea”]

[Text] Of late, the discussions over the withdrawal and reduction of the U.S. forces in Korea are being actively conducted at home and abroad.

On 2 June, Senator Carl Levin put forth a motion in which he proposed to gradually withdraw the current 43,000-strong presence of U.S. forces in Korea to the level of one brigade, about 10,000 men.

In addition, on 5 June, responding to this, the president of an opposition party remarked that Senator Levin’s proposal should be “positively examined”, “because it is not proper to leave security in the hands of foreign military forces, in view of our national strength.”

In the meantime, on 12 June, Richard Solomon, nominee as assistant secretary for East Asian and Pacific affairs, drew attention by putting forth a pre-condition for discussions of the withdrawal of U.S. forces in Korea, in the hearings in the House Committee on Foreign Affairs. In other words, the “military danger” from North Korea should be eliminated prior to concrete discussion of the withdrawal of U.S. forces in Korea.

Meanwhile, on 13 June, in his address made at the Council on Foreign Relations in New York, another president of an opposition party, on a visit to the United States, made it clear that he opposed the withdrawal of U.S. forces in Korea, saying that “the U.S. forces in Korea should remain until peace is settled on the Korean peninsula as well as in Northeast Asia, because the U.S. forces in Korea are necessary for peace and stability in such areas.”

I do not deny there have been some causes and reasons for the assertion that it is time to positively examine the issues of reduction and withdrawal of the U.S. forces in Korea, since "now the per capita income has reached 4,000 dollars..." and because of "the national sentiments and national dignity...." However, we cannot help saying that it is too early to call for the withdrawal of the U.S. forces in Korea, at a time when the military danger from North Korea is hanging over us; and when a systematic plan for establishing peace on the Korean peninsula has not been made.

On 12 June, Yi Sang-hun, minister of national defense, testified to the national defense committee that defense spending should be increased to 8 percent from the current 5 percent of GNP, and that the period of military service should be lengthened to 50 months from the current 30 months, not to speak of "the war deterrent forces" of the U.S. forces in Korea.

The discussion over withdrawal of the U.S. forces in Korea should not be affected by sentiment.

The issue over the withdrawal of the U.S. forces in Korea is the "hot potato" that has been held by Korea and the United States: There is a danger of getting burned if we try to eat it too fast.

DPRK Warned on Safety of Naval Incidents
*SK2006092789 Seoul YONHAP in English 0815 GMT
20 Jun 89*

[Text] Seoul, June 20 (YONHAP)—The United Nations Command (UNC) called on North Korea Tuesday to take steps to reduce the danger of naval incidents in the West Sea, particularly near an island group under UNC control that has been the site of several close calls recently.

Rear Admiral Larry G. Vogt, senior member of the UNC Military Armistice Commission (MAC), in a letter to his North Korean counterpart, said, "During the past several months, there have been an increasing number of incidents or near incidents in the Western Sea of Korea vicinity of our five island groups."

Noting that "our side has recently taken action to tighten control over fishing boats operating in this area," Vogt asked Major General Choe Ui-ung, his counterpart, to review rules and procedures for controlling North Korean naval vessels and fishing boats operating in the same area.

Vogt also said in the letter the UNC is willing to have the respective MAC secretaries meet to determine "how best we can continue sincere and forthright cooperation and communication on this matter."

According to a MAC spokesman, North Korean vessels have intruded into southern waters 24 times in the first five months of this year, compared to 33 intrusions in 1987 and 25 last year.

Improved Ties With Communist States Pursued
*SK2006080489 Seoul YONHAP in English 0523 GMT
20 Jun 89*

[Text] Seoul, June 20 (YONHAP)—South Korea will push ahead with its efforts to improve both official and unofficial relations with China despite the turmoil caused by the harsh crackdown on pro-democracy demonstrators in Beijing, Foreign Minister Choe Ho-chung said Tuesday.

Addressing the Korea Chamber of Commerce and Industry, Choe also said the government is allowing businessmen to return to their posts in Beijing and other places in China.

He said the situation in China will soon be stabilized.

The turmoil will not alter China's policy of opening its economy and of seeking stability on the Korean peninsula but there may be a slowdown in exchanges with Seoul, he said.

"We cannot deny that China might promote its opening more actively than before in a bid to accelerate domestic stability," he said.

Korean ties with the Soviet Union are likely to be promoted to an official level "in the near future," he said.

Choe observed that relations with Poland and Yugoslavia are also improving rapidly and said he anticipates the establishment of diplomatic relations with those countries this year.

The government is poised to continue supporting business trips to communist nations and will consult with the governments of friendly countries to explore efficient ways to prevent transfer of advanced technologies to the communist bloc in the course of expanding economic ties, he said.

Minister Says China's Korean Policy Unchanged
*SK2006030889 Seoul YONHAP in English 0241 GMT
20 Jun 89*

[Text] Seoul, June 20 (YONHAP)—China's policy toward the Korean peninsula will remain untouched by the current political turmoil, South Korea's top diplomat predicted Tuesday.

Foreign Minister Choe Ho-chung, addressing a breakfast meeting of the Korea Chamber of Commerce and Industry, said political stability will return quickly because the conservative faction led by Deng Xiaoping is in full control.

Choe said China will inevitably slow the pace of its open-door policy as a result of the turmoil, but will be unable to curb the people's demands for democracy.

"Out of political consideration for social stability, China will leave open the possibility for improvement of relations with us. We will also continue to exert efforts to improve relations with China both on the governmental and private levels," he said.

Choe said South Korea and China have increased bilateral cooperation in shipping, aviation, fishery, tourism and joint venture investments, and are negotiating an exchange of trade offices.

"China is expected to maintain a cautious attitude toward improvement of political relations with South Korea in consideration of the impact on its relations with North Korea," Choe said.

But South Korea and the Soviet Union will set up formal ties in the near future, he said.

"The Soviet Union is sounding out the possibility of opening shipping, aviation, tourism and press bureaus in Seoul. I have an impression that the Soviet Union minds its relations with North Korea less than China," Choe said.

The foreign minister also noted that the government is planning an official visit by President No Tae-u to Hungary this year.

"I expect we will be able to establish full diplomatic relations with Poland and Yugoslavia, too," Choe said.

Choe advised the private sector to refrain from "excessive and precipitate" inroads into communist countries and to maintain close cooperation with the government for protection of personnel and investments.

China Trying To 'Draw Back' Tourists
SK2006062089 Seoul YONHAP in English 0602 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—Chinese travel organizations have launched a public relations drive to draw back Korean tourists, claiming that calm has been restored since the crackdown on pro-democracy movement in Beijing, industry sources said Tuesday.

Chinese travel authorities have asked travel agencies in Seoul to publicize the normalcy in China to persuade Korean tourists to visit the neighboring country.

Some 1,000 Koreans visited China since the government lifted a ban on overseas travel Jan 1, but Korean agencies have not run tours to China since the turmoil began in late May.

China Youth Travel Service (CYTS), in telegrams sent to travel agencies in Seoul, requested they resume tours to China, contending that "everything is back to normal, including business and social life," according to the sources.

CYTS said palaces and other touristic attractions in Beijing are open and safety of foreign travelers is fully guaranteed, asking Seoul travel agencies to inform tourists and authorities here of "the real situation in China."

A travel organization affiliated to the state-run China International Trust and Investment Corp. also requested that China tours resume because Beijing has been reopened and asked if the Korean Government still prohibits tourists from sightseeing in China.

China International Trade Service also sent Korean agencies a similar message.

Industry insiders here predict, however, that it will take a time before Koreans are willing to visit China again.

DJP Members Leave for Soviet Union
SK2006035889 Seoul THE KOREA TIMES in English
20 Jun 89 p 2

[Text] Kwon Ik-hyon, permanent advisor of the governing Democratic Justice Party [DJP], and Pae Myong-in, former director of the Agency for National Security Planning (NSP, formerly CIA), left the country for the Soviet Union for a nine-day visit Saturday [17 June].

Two chairmen of the government party's local chapters and other former lawmakers who failed to win party nominations in the last parliamentary elections are accompanying Kwon who also served as the chairman of the DJP, on the visit.

The two chairmen are Kwak Chung-chol from Pusan So (west) chapter and Cho Ki-sang from Yonggwang-Hamgyong chapter in Chollanam-to.

The others are Yi Sang-ik, former DJP chairman of the Central Committee, Yi Chan-hyok and Pak Ik-chu.

Yugoslavia, Czechoslovakia To Import Tobacco
SK2006085589 Seoul YONHAP in English 0705 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—Yugoslavia and Czechoslovakia have signed contracts to import leaf tobacco and cigarettes from the state-run Korea Monopoly Corp. (Komoco), South Korea's exclusive tobacco and ginseng supplier.

The company said Tuesday it will export 24 million packs of "sol" (pine tree) brand cigarettes to Yugoslavia's Macedonia Leaf Tobacco Export-Import Ui [name

as received], and 250 tons of leaf tobacco to the Czech Foreign Trade Corp. for the import and export of food-stuffs and agricultural products.

The agreement was reached by Komoco president Hong Tu-pyo, in East Europe from June 10-24, and officials of the two countries, the company said.

Seoul started selling cigarettes to communist countries in May 1988 and exports reached some 900,000 cigarettes by the end of the year.

Travel Liberalization To Allow More Tourism

SK1606021589 Seoul YONHAP in English 0201 GMT
16 Jun 89

[Text] Seoul, June 16 (OANA-YONHAP)—Free-spending South Korean tourists are going abroad in ever larger numbers owing to travel liberalization this year and they are taking a lot more money with them, the Transportation Ministry said Friday.

Total spending in May leaped 108 percent from the same month last year to 215.86 million U.S. dollars, while per tourist spending jumped 32 percent to 2,320 dollars. Visitors to Korea spent an average 1,355 dollars.

The number of Korean travelers rose 58 percent to 93,000, from 59,000 a year earlier, because restrictions on travel abroad were removed at the start of the year, a Ministry spokesman said.

In the first five months this year, 454,500 Korean tourists spent 977 million dollars for a 74.9 percent increase in number and 113.3 percent growth in total expenditure, the official said.

Meanwhile, 1.64 million foreigners visited Korea and spent 1.442 billion dollars during the same five months, generating a tourism surplus of 465 million dollars, he said.

He said per capita spending is higher among Koreans because most of them are first-time travelers and don't know how to budget.

The surplus will shrink by the end of next year, since more Koreans will go abroad and they will spend more, he said.

Opposition Party Leaders To Meet 23 June

SK2006061389 Seoul YONHAP in English 0613 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—Leaders of South Korea's three opposition parties meet Friday [23 June] to coordinate their positions on key political issues, including how to handle key figures responsible for the misrule of former President Chon Tu-hwan.

The meeting was arranged by Kim Yong-sam, who returned Monday from a 19-day trip to Japan, the Soviet Union and the United States.

He will meet Kim Tae-chung, president of the Party for Peace and Democracy, and Yi Pyong-hui, acting president of the New Democratic Republican Party while Kim Chong-pil is in the United States, at a Seoul hotel to discuss his trip, a spokesman for Kim's Reunification Democratic Party said.

On Wednesday, Kim Yong-sam will brief President No Tae-u on his trip and meeting with former North Korean Foreign Minister Ho Tam.

The three opposition leaders are not expected to draw up a united position on the liquidation of Chon's administration because of dissenting views, an analyst said.

Kim Tae-chung is likely to stick to his demand that Chong Ho-yong, who Kim claims was responsible for the military suppression of the 1980 Kwangju civil uprising, resign his National Assembly seat as a condition for closing an investigation into Chon's misrule.

But Kim Yong-sam, who has shown some flexibility on the Chong issue, is unlikely to agree with Kim Tae-chung's position, the analyst said.

Regarding a midterm test of No's presidency, Kim Tae-chung is expected to clarify that he won't push for it if No completes liquidation of the Fifth Republic legacies, while Kim Yong-sam may demand No keep his promise to hold the appraisal.

Participant Comments on Kim-Ho Talks

SK2006000289 Seoul CHOSON ILBO in Korean
15 Jun 89 p 2

[Interview with lawmaker Pak Kwan-yong by correspondent Kim Chang-ki in Washington: "The North Side Expected an Antigovernment View From an Opposition Party"—date not given]

[Text] This reporter met in Washington with lawmaker Pak Kwan-yong, chairman of the National Assembly special committee for reunification affairs, who accompanied Kim Yong-sam, president of the Reunification Democratic Party (RDP), on his trips to the Soviet Union and the United States, and who was present at the talks in Moscow between President Kim and Ho Tam, and heard him give his impression of the talks.

[Kim Chang-ki] You are one of those present in the talks between President Kim and Ho Tam. Tell me what the atmosphere of the talks was.

[Pak Kwan-yong] The atmosphere was very calm and serious. My impression of Ho Tam is that he is a very bold man. As an expert involved in strategy toward the South, one who has long diplomatic experience, he

displayed his well-constructed logic on the reunification question. Not just Ho, but virtually all of those North Korean participants in the talks, were North Korea's top-class theoreticians as far as the reunification question is concerned.

President Kim calmly said what he wanted to say, speaking his own mind. The North Korean side seemed to have expected that we in the opposition parties would have entirely different views from the government and that, in particular, President Kim would accept its invitation to visit Pyongyang. This is because the North Korean side repeatedly urged President Kim to accept the invitation and it was mentioned in "a joint information" the North Korean side had prepared in advance. I had the impression that the North Korean side had wrong perceptions of our opposition parties.

I think we have really put the brakes on North Korea's hazy illusions about our society by seizing the talks as an opportunity to make clear to the North Korean participants our party's position on various issues such as that of U.S. forces stationed in Korea, the unified channel for dialogue, and student exchange.

[Kim] Following Rev Mun's visit to North Korea, an atmosphere of cautioning people against sporadic contacts with the North has dramatically increased. Even President Kim stressed the need to make the government a sole channel for dialogue. Now, how do you explain the fact that an opposition party president, not the government authorities, has taken it upon himself to participate in such talks?

[Pak] There is a difference. Rev Mun contacted North Korea as an individual, but we did it as a group of politicians. In addition, we consulted with the government in advance about how to deal with any by-product that might crop up. At the same time, since we did not try, from the beginning, to take the initiative in reaching any kind of agreement or solving problems with the North Korean side, leaving out the government, I do not believe that our act runs counter to the government's principle of a unified channel.

[Kim] Do you think that the talks will ultimately bring about any negative after-effects or any worrisome results?

[Pak] There is a concern that the contact between an opposition party, not the government, and North Korea might be interpreted as having set a precedent. It is not desirable if any other groups view as a precedent the undertaking of a group of politicians who have done what they could do for the creation of an atmosphere for a new level of dialogue between the North and South.

[Kim] Since President Kim made clear his position, which is entirely different from that of North Korea, in the talks, do you not think it is possible for North Korea to denounce President Kim himself and the RDP and agitate some forces in our society?

[Pak] On the contrary, it is highly likely that North Korea would launch counter propaganda saying that it had a satisfactory meeting with President Kim or that he agreed in principle to visit Pyongyang. It is because North Korea will find it difficult to keep the South Korean opposition parties out in executing reunification strategy, and it will also try to prove to its residents that its earlier propaganda about us in the opposition parties being sympathetic with its stand has turned out to be true.

[Kim] If the North Koreans propose meetings with other party executive members and lawmakers in the future, would you respond to their propositions?

[Pak] Since we have clearly expressed our opinion through the recent talks, I think there is no need to repeat such talks without conditions.

Kim Chong-pil Cautions Against Reunification
SK2006020889 Seoul *THE KOREA HERALD* in English
20 Jun 89 p 2

[From the "Out and About" column: "Kim J.P.'s Appeal"]

[Text] NDRP [New Democratic Republican Party] leader Kim Chong-pil has called for dialogue and compromise in solving problems, warning the use of physical means would lead to a vicious circle of repression and protest.

Now staying in Vancouver, Canada, en route to Denver, Colo., where he is to participate in a world forum, Kim made the remarks in a speech before about 300 Korean residents at a gymnasium, party officials said.

He expressed conservative views on inter-Korea relations, warning against illusory thought about unification.

"It cannot be tolerated that such people as the Rev. Mun Ik-hwan, who believes in God, meets Kim Il-song, who is a materialist, and calls him comrade," Kim said.

Fifth Republic Figures in Foreign Countries
SK2006033689 Seoul *THE KOREA TIMES* in English
20 Jun 89 p 3

[Text] More than 30 key figures of the Fifth Republic, most of them former Cabinet ministers and business tycoons, are now in foreign countries, touching off widespread suspicion that they left Korea to evade prosecution or testimony before the National Assembly.

They are suspected of playing important roles in such irregularities of the former administration as forcible merger of the mass media and liquidation of business conglomerates.

Most of them are now in the United States and they usually avoid contact with Korean residents in that country.

They include Kim Man-chae and Chong In-yong, both former deputy premier-economic planning ministers; Sakong Il, former finance minister; Kwon Chung-tal, ex-secretary general of the ruling Democratic Justice Party; An Mu-hyock, former director of the Agency for National Security Planning; and Kim Chung-won, chairman of the Hanil Synthetic Fiber group.

Yi Pil-son, former president of the Korea First Bank [KFB], and Chang Sang-tae, chairman of Donguk Steel Mill Co., both involved in the "coercive" liquidation of the Kukje-ICC business group in 1985, are also in the United States.

Former deputy premier Kim Man-chae left Seoul last February and is now in Hawaii for research at the East-West Center at Hawaii University. Kim was probed by the prosecution authorities for his alleged involvement in the liquidation of the Korea Shipping Corp. and Kukje-ICC group.

Ex-finance minister Sakong Il, who was suspected of masterminding the "illegal" liquidation, is working as a research fellow at the Brookings Institute in the U.S.

Yi Pil-son, former president of the KFB which was the major creditor to the dissolved Kukje-ICC group, left for the U.S. December allegedly to receive treatment for his illness, but he is still there. He even resigned from the bank's subsidiary lease firm in April to prolong his sojourn.

Kim Chung-won, Hanil Synthetic Fiber Co., chairman, and Kim Yong-san, Kukdong Construction Co. chairman, left Korea last December and January respectively. At that time, they were requested by the National Assembly panels to testify on their roles in the Kukje-ICC liquidation.

Because of their absence, the National Assembly and prosecution authorities' probes into the so-called "Fifth Republic irregularities" have hit snags.

The probe into the Kukje-ICC liquidation has been stalled since March because of the absence of Kim Man-che, Yi Pil-son and five others who were sued on charges of malfeasance or power abuse in connection with the case.

Prosecution authorities had to drop the perjury charges against Hu Mun-to, former vice cultural minister who allegedly masterminded the mass media merger in 1980,

and the subsequent journalists purges for lack of evidence because of the absence of Kwon Chung-tal, former powerful Defense Security Command staffer who mapped out the plan with Hu.

They are apparently prolonging their sojourns in foreign countries for fear of criminal punishment and people's condemnation if they return to Korea.

Won Appreciation Said To Hurt Competitiveness
SK2006013889 Seoul THE KOREA HERALD in English
20 Jun 89 p 6

[News Analysis]

[Text] Because of the rapid wage increase, the wage level in Korea last year was higher than that in its rival countries—Taiwan, Hong Kong and Singapore. The 1984 salary level in Korea was lower than those in the other countries.

The high wage level, combined with the rapid appreciation of the Korean won, has weakened the competitiveness of Korean industries on the international markets.

Korea's exports during the first five months of this year earlier to \$23.8 billion. The comparable export increase rate during the same period last year stood at 29.6 percent.

The situation facing the Korean manufacturers is worse than indicated by the figure. On a volume basis, Korea's shipments to foreign countries during the cited period suffered a 4.1 percent setback from a year earlier.

The strong Korean won is also responsible for the lackluster exports. The local currency appreciated 2.6 percent during January-May, after a 15.8 percent appreciation last year and an 8.7 percent appreciation in 1987.

The adverse business situation discouraged investment. Facility investments at manufacturers during the first quarter of this year earlier, compared with a 16.7 percent increase registered during the same period last year.

The higher-than-expected inflation rates are also a factor troubling the Korean economy. During the first four months of this year consumer prices increased 2.9 percent, indicating the inflation rate this year will be higher than earlier projections of 5 percent.

Soaring real estate prices are a factor responsible for the high inflation rates. Land prices in Korea increased 14.8 percent during the first quarter of this year, following a 27.5 percent rise last year.

The Korean economy, which has enjoyed double-digit growth for the past three years in a row, has been in a relative slump in recent months. A variety of policy measures, as announced yesterday, are designed to remedy the causes of the slump and correct the distorted economic situation.

One of the factors troubling the Korean economy is labor-management disputes and strikes prevailing in many major industries, which resulted in production shrinkage and remarkable wage hikes, weakening international competitiveness of Korea industries and discouraging businessmen.

Strokes brought about lost production worth 3 trillion won (about \$4.5 billion) during the first five months of this year alone. The plant operation rate declined from 79.1 percent last January to 75.3 percent in February and further to 73.3 percent in April.

The soaring wage level is no less serious a factor than the production trouble. During January-May, salaries for employees at Korean manufacturers rose 18 percent to bring to 62.5 percent the combined wage increase rate since the fourth quarter of 1987.

Under these environments, the Korean economy grew a mere 5.7 percent during the first three months of this year, compared with 14.6 percent growth a year earlier.

Consumption in the private sector rose 10.3 percent during the cited period, while the manufacturing sector saw a mere 1.0 percent growth and exports declined 4.3 percent.

Private consumption saw a steady rise in recent years, with the growth rates standing at 9.6 percent last year, 8.4 percent in 1987 and 7.8 percent in 1986.

Deputy Prime Minister Cho Sun says the Korean economy will surely decline in years to come unless troubles are solved in months to come.

"We have no options but to restrain from boosting income through high wage increase rates," said Cho. An annual 20 percent increase in 1990 and thereafter will most likely push down the GNP growth rate to 5 percent next year and 4 percent in 1991, with an annual 10 percent inflation, according to him. Under these environments, the jobless rate will increase to 4.0 percent next year and 4.5 percent in 1991, he added.

Government Vows To Prevent Rise
SK2006022689 Seoul YONHAP in English 0141 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—South Korea will take steps to prevent rapid appreciation of its currency against the U.S. dollar by letting market mechanisms play a bigger role in the determination of the exchange rate, Finance Minister Yi Kyu-song said Monday.

Yi, who gave no details of what step will be taken, said he expects the won to stabilize because the dollar recently showed signs of rising while the Japanese yen and the West German mark are sluggish.

The country's exchange rate policy will more reflect market mechanisms even if it is closely related to interest rate liberalization, the internationalization of financial markets and the restrictive foreign exchange control system, he said.

The dollar was quoted at 666.80 won Tuesday on the standard concentration basis, 144.60 Japanese yen and 1.979 West German marks.

The won has appreciated 2.59 percent against the dollar so far this year.

Officials Consider Student Exchanges With North
SK2006075689 Seoul THE KOREA TIMES in English
20 Jun 89 p 2

[Text] The administration has decided not to allow South Korean students to attend the International Festival of Youth and Students, scheduled for July 1-7 in Pyongyang, officials said yesterday, while holding out hope for another sort of exchange.

The festival is politically aimed at promoting identity among youth from the socialist bloc and further their solidarity against "imperialist capitalism" and is not fit to the state policy of the South, they reasoned.

The North has plotted to encourage student activists in the South to defy Seoul's negative posture toward their move to participate in the event, only inviting members of Chondaehyop, or a national association of student leaders, and Chonchongnyon, a national league of youths, both groups of hardliners, they noted.

The officials also pointed out that it is impractical to prepare for Southern students' participation in the festival with only about ten days to go before its opening.

Instead, they are seriously considering proposing a massive exchange of over 5,000 students between the South and the North.

A senior administration official said, "If the North accepts the idea, we will be able to hold a cross-country march, athletic games or something like that."

In the meantime, the North's organizing committee for the festival said through Radio Pyongyang Sunday [18 June] evening that it hopes about 500 students and youths will come to the event.

All the convenience and security will be guaranteed, said the radio broadcast monitored and released by the National Unification Ministry.

"We have no intention to force them to adopt our ideology and thought—We will give them a heart-felt reception and honor their opinions," it stressed.

The committee said that, if necessary, both sides could hold working-level meetings no later than Friday at the truce village of Panmunjom to chart out procedures for Southerners' participation in the festival.

It added that working-level staff would be stationed at Panmunjom from Saturday to receive Southerners who come to the heavily-cordoned truce village to proceed to Pyongyang through it.

President of Korea University To Resign

SK2006090989 Seoul YONHAP in English 0731 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—Yi Chun-pom gave in to four months of pressure from students Tuesday, announcing he will resign as president of the 84-year-old Korea University.

Yi first indicated he would step down in an emergency faculty meeting called hours after the influential alumni association of the prestigious private school announced early Monday it wanted Yi's immediate resignation and an end to the students' protest.

Just 13 days ago some 250 students from a provincial campus occupied the main office building of the Seoul campus and threatened to tear down and bury the founder's statue unless their demands were met.

The students demanded Yi, 57, resign over an admissions for money scandal and asked for a plan to develop their campus near the central city of Chonan.

Police, at the request of school authorities, deployed more than 3,000 riot troops around the campus shortly after midnight Monday for a predawn raid to end the students' seizure but they withdrew early Tuesday after learning of Yi's announcement.

The students called off the threatened burial, scheduled for Tuesday, but instead decided to hold a rally and a mock funeral of Yi, school head since 1985 and a professor of business administration.

Student Activists Return To Using Firebombs

SK1706002089 Seoul THE KOREA TIMES in English
17 Jun 89 p 3

[Text] Student activists have returned to using firebombs in anti-government demonstrations to counter what they alleged as brutal violence committed by riot police in clashes with protesters.

The wide use of petrol bombs reappeared recently after an increasing number of students were injured in clashes with riot police wielding truncheons and hurling stones.

About 6,000 Molotov cocktails were thrown Thursday student demonstrations erupted in 15 universities and colleges in major cities, a National Police Headquarters spokesman said yesterday.

It was the first report on the massive use of firebombs by student activists who pledged in early May not to use violent means in anti-government demonstrations in the wake of the May 3 tragic deaths of policemen in the Tongui University incident.

There were reports of severe injuries during violent skirmishes with Yonsei University students and riot polices Thursday.

Several students, and policemen were in critical condition.

Police fired volleys of tear gas canisters to disperse student who threw stones at the demonstration site in front of Yonsei University in western Seoul, witnesses said.

Student Group Claims Usage 'Inevitable'

SK2006014289 Seoul THE KOREA HERALD in English
20 Jun 89 p 4

[Editorial: "Renewed Use of Firebombs"]

[Text] Violence seems to be a fad everywhere. It is a bitter satire on human nature and civilization that this age of advanced science and sophisticated culture is clouded with a reign of violence.

Unfortunately, use of violence has become prevalent once again among student activists who have resorted to throwing firebombs in protests only some 40 days after they vowed not to use them. They hurled over 10,000 firebombs in only two days of fierce antigovernment demonstrations last week.

Chondaehyop, the National Council of Student Representatives, had pledged that they would refrain from using firebombs in the wake of the tragic May 3 Tongui University incident, in which seven policemen were burned to death by students' firebombs. Now, the student group claims that it has become inevitable for students to resort to firebombs again to cope with the excessively violent nature of antiriot measures taken by police.

Ironically, the renewed upsurge in firebomb hurling came when a law that greatly restricts the police's use of tear gas took effect last week. The legislation stipulates that police can use tear gas only when people's lives, property or public facilities are "threatened" in demonstrations. Yet, in response to students' firebombs, riot police also used tear gas in confrontations around college campuses last week. In fact, on Thursday [15 June] police fired 319 rounds of tear gas, while on Friday another 80 canisters were fired.

The use of firebombs or any form of violence, for that matter, is certainly far beyond the bounds of a normal student movement. Students have proper procedures of dialogue and compromise to follow to make their voices heard. The primary requirement for a legitimate student protest is that it be orderly and peaceful. Strong-arm tactics and physical fury have no room in a free and democratic student movement.

Undisputedly, the rampage of firebombs gravely jeopardizes the values and goals of our democratic endeavors. No excuse can, however plausible it may sound, justify the foray of firebombs, unless one denies the imperative of having to keep our society in peace and comfort.

Abiding by rules and respecting laws are essential conditions for a democratic society. Students must bear in mind that they will get nowhere by hurling Molotov cocktails. Moreover, they will never win the trust and support of the people as long as they indulge in the rampant use of firebombs.

Anti-Tear Gas Law Goes Into Effect

SK1806021089 Seoul *THE KOREA HERALD* in English
18 Jun 89 p 3

[By "Chon"]

[Text] A law that greatly restricts police's tear gas use has taken effect this past week, possibly ending an era during which police used barrages of the acrid fumes to break up antigovernment demonstrations.

The legislation, which came into effect Friday, stipulates that police can use tear gas only when people's lives, property or public facilities are "threatened" in demonstrations.

The new law regulating tear gas use was passed by the opposition-dominated National Assembly last month. The government agreed to the law in exchange for opposition support of a bill specifically outlawing firebombs.

The antitear gas legislation was an amendment to existing statutes and automatically took effect Friday, 30 days after its passage. The antifirebomb law is to take effect July 6.

Under the new law, tear gas can only be fired on the orders of a commanding police officer. The officer who gives the order can be prosecuted if anybody is killed or injured as a result of the use of the gas.

The National Police Headquarters in this context instructed police across the country to keep a record on the use of tear gas, including the time, location, quantity and the name of field commanders.

Tear gas, mostly used in gun and van-fired shells or hand-thrown grenades, has been the most popular anti-demonstration weapon employed by Korean police.

it sometimes resulted in the loss of human lives and critical injuries. the death of a university student who was hit by a tear gas shell in the head in 1987 triggered massive student protests that touched off sweeping political reforms.

Analysts said the law will certainly restrict police's tear gas use.

But at the same time, analysts noted, it may weaken police's antidemonstration capabilities since police will be inclined to refrain from resorting to tear gas for fear of unexpected incidents and subsequent legal punishment against themselves.

The new phenomenon was showcased in a Seoul demonstration Friday, the very day that the revised law went into force, with riot troops firing not a single canister in response to about 200 firebombs thrown by student demonstrators at the Hanguk University of Foreign Studies in northeastern Seoul.

The 200 molotov cocktails was the most reported in a single demonstration since student activists said they would refrain from using them in the wake of the tragic May 3 Tongui University incident, in which seven policemen were burned to death by students' firebombs.

More than 1,000 students fought with about 500 police wearing in heavy protective gear near the university gate for about an hour after a rally where speakers accused the police of murdering a student editor found dead last month.

Parliamentary Team Hears Testimony on Yi's Death

SK2006075089 Seoul *THE KOREA TIMES* in English
20 Jun 89 p 2

[Text] Kwangju—The special parliamentary team probing the "mysterious" death of Choson University student Yi Chol-kyu yesterday heard testimony from 14 witnesses in a full sitting at the city hall of Kwangju, Chollanam-to.

The team members questioned the witnesses about the popular doubts over Yi's falling into the lake after taking false step and his whereabouts before and after his being put on the wanted list for his pro-Pyongyang articles in a school magazine.

Yi, a dissident, was found dead in a reservoir with his face severely disfigured last month. Some people in Kwangju see the disfigured body as being hard evidence of the police torturing him to death, despite the recent police investigation reports that he was drowned.

Now into the third week of their month-long independent investigation, the bipartisan team led by Rep. Chong Tong-song will wrap up their activities by next week and file a report of its own investigation to the National Assembly.

Before the testimony session opened at the city hall, a citizens' committee on the dissident student's death argued in handouts that he was slain by police torturing him and deserted in the lake.

In particular, the committee, noting the controversial statement from the U.S. State Department on May 12, demanding the punishment of Yi's "murderer," called for a clear explanation from the U.S. side.

The U.S. side has to release all the information at its disposal about Yi's death, the handouts said.

Police To Break Up Kwangju Rally
SK2006031689 Seoul THE KOREA TIMES in English
20 Jun 89 p 3

[Text] KWANGJU—Police will intervene to forcibly break up the month-long sit-in which about 500 radical students continue to put up for clarification of the death cause of Yi Chol-kyu on the road before the Chonnam University Hospital here over the weekend.

About 500 student radicals mounted the sit-in protest against what they called an unfair investigation into the death of the student activist Yi on May 25, pitching 20 tents on the road before the university hospital.

Yi, 24, an electronics senior of Choson University and editor of the university's campus paper, was found dead in a reservoir about 6 km from here May 10.

A ranking officer at the Tongbu Police Station said yesterday that the law-enforcement authorities will resort to force to disrupt the protest sit-in by the students late this week, if they don't disperse.

The students have had serious impact on the normal and healthy life of innocent citizens, he explained, stopping a smooth flow of cars by completely blocking the road.

The students have conducted a set of "fast" sit-ins alternatively by a group of 50 on the road to press for a fair and balanced probing on the death cause of Yi.

Yi's body is kept at the mortuary of the Chonnam University Hospital.

Daewoo Shipbuilding Labor Problems Continue
SK1706100089 Seoul YONHAP in English 0941 GMT
17 Jun 89

[Text] Seoul, June 17 (YONHAP)—The fate of the strife-ridden Daewoo Shipbuilding and Heavy Machinery Ltd. is still uncertain as the management and the labor union of the shipyard failed to narrow differences over wage hikes again in their 11th meeting held Saturday.

The negotiators, however, agreed to resume their talks on Monday.

Observers said the 12th session will be a critical one that will decide the fate of the second largest shipyard in Korea as the union's council of representatives decided in a meeting earlier Saturday to stage a strike should the negotiators fail to reach a compromise until next Wednesday.

In the 11th meeting Saturday, the labor union did not back down from its demands while the management kept sticking to its position that essentially calls for deferring the wage hike until next year.

The union demands a uniform increase of 95,000 won (about 142 U.S. dollars) in basic monthly pay. The union also seeks an increase in bonuses, a 44-hour-work week and reinstatement of three dismissed union leaders.

Company officials were flatly refusing to accept it, saying any wage increase this year would deteriorate their financial pinch and, worse yet, is feared to adversely affect government's will to bail out the company. The debt-ridden shipyard has financially relied on heavy bank loans.

The government has threatened, in an apparent sign of hardening its position toward labor-management disputes, to scrap any plan to save the shipyard should the management of the shipyard agrees to raise the salaries of the employees this year.

Kim U-chung, chairman of the Daewoo Business Group, earlier threatened to close the shipyard in case the workers go on a strike.

Daewoo Motor Pay Dispute Ends
SK2006023089 Seoul YONHAP in English 0127 GMT
20 Jun 89

[Text] Seoul, June 20 (YONHAP)—A labor dispute at the Daewoo Motor Co. ended Tuesday, bringing to a close the annual spring pay negotiations in South Korea's auto industry.

Management agreed Monday to increase basic monthly wages 23.3 percent, or 71,650 won (107.74 U.S. dollars), and pay an amount equal to the regular wages in bonuses.

Daewoo suffered a production loss of 8,000 cars, costing it about 50 billion won (75.19 million dollars), from strikes and stoppages during the wage negotiations, which started May 22.

Hyundai and Kia, Korea's other two major automakers, wound up their wage negotiations earlier this month.

Parts suppliers concluded their labor talks in April and May.

Burma

Army Present as Schools Reopen in Rangoon
*BK2006070389 London BBC in Burmese to Burma 1445
GMT 19 Jun 89*

[Report from Neil Kelly in Rangoon]

[Text] The Army displayed its presence on main roads in Rangoon and other centers of Burma on Monday when schools reopened after being closed for a year. All centers of learning were closed down after students held massive demonstrations to oppose the 26-year-old military rule. Here is a report from Neil Kelly in Rangoon:

Listeners, a Western press photographer who was photographing Daw Aung San Suu Kyi, the popular opposition leader in Rangoon, was detained 3 hours for questioning. There was no use of force.

Students attending the reopened primary schools are younger than 10 years old. Soldiers wearing helmets and holding automatic rifles erected barb wire around some schools and were seen guarding the schools. Earlier, the Army was seen distributing arms in the areas adjacent to schools. Some parents and opposition members described the Army's action as provocative. While they welcomed the reopening of schools, they said that middle schools and universities should be reopened as well.

The government has not yet announced the exact date for reopening these schools and has said the current law and order situation does not allow the reopening of these schools. According to executive members of the ABFSU—the All Burma Federation of Students Unions—there have been continued arrests of their members. Last Sunday 15 were arrested in Rangoon. The student leaders claimed that eight of them were arrested at a tea shop and were taken away with their heads covered with sacks.

The government has arrested a total of 1,000 political prisoners throughout the country. Out of these, 400 were arrested in Rangoon.

It is generally believed that the government will hold general elections as promised during the first half of next year. However, opposition political parties are expressing doubt as to whether elections will be held in accordance with a democratic system considering the continuing night curfew, the ban on more than five persons gathering, and renewed restrictions on distribution of leaflets by political parties.

Primary Schools Reopen Nationwide
*BK1906142889 Rangoon Domestic Service in Burmese
1330 GMT 19 Jun 89*

[Excerpts] Basic education primary schools in all of 14 states and divisions have been reopened today. Primary school students attended classes and are studying peacefully. [passage omitted]

In 39 townships of Rangoon Division, a total of 28 high schools and 158 middle schools which have primary classes as well as 2,073 primary schools were reopened today. [passage omitted]

Khin Nyunt Assures Democratic Elections

Part 1
*BK1906011589 Bangkok THE NATION in English
19 Jun 89 p 8*

[“First part” of interview with Brigadier General Khin Nyunt, first secretary of the State Law and Order Restoration Council, by THE NATION—date and place not given]

[Text] Election campaigns by political parties in Burma may start three months before the general election, which is expected to be held in May 1990. If the security situation in the country improves steadily, the election could be held one or two months earlier, according to Brig Gen Khin Nyunt, first secretary of the State Law and Order Restoration Council.

In his reply to a set of written questions of THE NATION, Khin Nyunt said representatives of political parties and student groups will observe the election and monitor the counting of the ballots. But foreign observers are not needed.

He also denied that dissident student leaders returning under the previous general amnesty had been arrested. “It is not true that the student returnees...are later rearrested and imprisoned,” he said.

The following is the first part of the interview.

Question: Both the Burmese people and the international community still have strong doubts as to whether the present military government in Rangoon will hold the promised general election. How will you dispel the doubts and guarantee that the elections, when they are held, will be free and fair?

Answer: The Government is carrying out a historical assignment to hold multi-party democracy general election, and there is no need to make any guarantee as to the certainty, free and fairness of holding the election. Your presumption of strong doubts entertained by the Burmese people and the international community is rather out of tune with the reality.

Question: When exactly will the general election be held? What is your comment on the Election Commission's statement that it will allow members of the political parties and students to observe the election and monitor the counting of ballots nationwide? Will you allow foreign observers at the general election?

Answer: Anyone who reads carefully the 26 steps and 14 months timetable contained in the general election law will realize that the Election Commission's Statement is a definitive message. The representatives of the political parties, the student and the civil servants who are assigned the duties of successful implementation of the election will observe the entire process of the election, including the counting of ballots. The election is a national affair and as in previous elections held in Burma, foreign observers will not be necessary.

Question: If the election is to be held in May 1990, as the election law seems to suggest, when will the government allow political parties to start their election campaigns? How long do you think the Burmese people will need to learn about democracy?

Answer: The essence of democracy is ingrained in the Burmese society. The noble values of democracy will be gradually encouraged through the process of exercising the rights and fulfilling the duties of the citizens.

Political campaigns could be launched by the political parties three months before the general election. If the situation improves and maintenance of law and order gains momentum, the election could be held one or two months earlier than expected. Democracy need not be taught but practiced in accordance with the awareness of one's own surrounding.

Question: When will the government revoke Law 2/88, which imposes a curfew from 10 pm to 4 am, and bans the gathering of five people or more?

Answer: The main aim of Law No 2/88 is to restore law and order and as a result, the general atmosphere is improving now. At this stage it would not be advisable to revoke it as the elements of disruption still exist and there is no guarantee that lifting of curfew will directly contribute toward stability. At appropriate time, the aspiration of the general public will be met.

Question: Is it true that the government still continues to arrest students and low-level officials of the opposition parties? If so, why and on what charges? Will the arrested be tried? If no, when will they be released?

Answer: The news that the government still continues to arrest students and low level functionaries of political parties without any cause is not true. Deliberate violation of public safety and stability by the students or party functionaries compelled the law enforcing authorities to take necessary action. They are detained in accordance

with the prevailing security measures. Those who can fully convince the authorities that their actions had not been contradictory to existing laws will be released in due course.

Question: Is it true some of those student returnees, including some of those returning under the Thai-Burmese repatriation programme, have been arrested?

Answer: It is not true that the student returnees, either those returning under the repatriation programme or by themselves, were later rearrested and imprisoned.

Question: Will there be an amnesty for all political prisoners and dissident students still stranded along the Thai-Burmese border and in areas controlled by ethnic minorities?

Answer: There is no programme at hand to grant amnesty.

Question: How will the present military government hand over its administrative power to the next elected government?

Answer: The present government will transfer power to the next government formed after the multi-party democracy general elections. After the transfer of power to the elected government, the present leaders who are the personnel of the Defence Services will return to the original responsibility to defend the security of the country.

Part 2

BK2006030189 Bangkok THE NATION in English
20 Jun 89 p 8

[“Second Installment” of interview with Brigadier General Khin Nyunt, first secretary of the State Law and Order Restoration Council, by THE NATION—date and place not given]

[Text] The situation in Burma has improved steadily but there is still a need for strong military presence in Rangoon and other cities to deter unrest and sabotage, said Brig Gen Khin Nyunt, secretary No. 1 of the State Law and Order Restoration Council [SLORC].

Members of all political parties who break the law will be arrested and their arrests cannot be mistaken as political harassment, he contended.

In his reply to written questions from THE NATION, he also reiterated the Burmese government position of not negotiating with the rebelling ethnic minorities along the Thai-Burmese border because they are insurgents.

The following is the second installment of the interview. The first part was published yesterday.

Question: Aung San Suu Kyi has often complained that she and her National League for Democracy [NLD] members have been harassed by government authorities and military officers. Is her accusation of political harassment justified or not?

Answer: The government does not harass any political party. On the part of the political parties it is necessary that they do not violate the existing laws which are established to maintain law and order. The charges made by Daw Aung San Suu Kyi is not true. Those members of the NLD who are under detention have been not because of their political conviction but because they transgressed the law.

Question: Why are troops still posted in public places and armoured personnel carriers roaming the streets?

Answer: To maintain law and order, it is necessary that any move to destabilize the peace and tranquility should be discouraged in the interest of public order. In order to carry out these duties, members of the armed forces are placed on duty at the government buildings.

Question: Has the law and order been restored and other SLORC's preconditions to the general election been fulfilled?

Answer: Compared with the time of last year's disturbances when anarchism enveloped the country, one can rightly say that the overall situation in Burma had noticeably improved now. The State Law and Order Restoration Council has not made any preconditions to hold multi-party general election. Its main aim is to restore law and order and protect the welfare of the people of Burma. Because of the disruptions during the demonstrations, revival of the public order became a priority objective. But arrangements for holding a free and fair general election are underway parallel to those of the efforts for maintenance of law and order.

Question: How is the relationship between the people and the military?

Answer: Tatmadaw (the military) is not an isolated institution. From the time of resistance against the colonialists and fascists, Tatmadaw has been together with the people. They are born out of the people. There is no question of trust and support of the people. It is only a prejudiced view of a few who perceive the situation in Burma from the narrow and selfish context. To protect the unity of the nationalities, to safeguard the independence and sovereignty and to defend the Union of Burma from disintegration are the historical duties of the Tatmadaw. Tatmadaw will faithfully serve the country and the people of the Union of Burma.

Question: Will the government hold talks with ethnic minorities, dissident students, and Burmese expatriates to discuss internal problems in Burma?

Answer: The government does not need to hold talks with ethnic minorities. We in Burma have 7 States and 7 Divisions. The 7 States have 7 national races such as—Kachin, Karen, Kayah, Shan, Mon, Rakhine and Chin. But there are some groups of insurgents who resort to subversion and illegal drug trafficking and claim themselves as ethnic minority rebels.

As for the misled students who fled to the border areas, the government still keeps the reception camps open if they wish to come back into the legal fold.

Burmese expatriates are another category of people who left the country for various reasons. Among them, there is a bunch of characters who openly associate with the insurgents and anti-government movements. If the reason of leaving Burma was on political grounds, these people should belong to the society they chose after denouncing Burmese citizenship. At this stage, the behaviour of these political groups does not indicate that they can engage in a meaningful dialogue with the government.

As long as they harbour ambitions to sow seeds of discord between Tatmadaw and the people, any attempt to legitimize their actions will be a failure. The government forces are carrying out their duties to defend the country from the danger of insurgency. Be it the Burma Communist Party or the Karen National Union or any of such group who are going against the interest of the Union of Burma, Tatmadaw has to fight them.

Cambodia

U.S. Congress Rejection of Aid 'Realistic'

*BK1906090589 Phnom Penh SPK in French 0446 GMT
19 Jun 89*

[“A Realistic Position on Cambodia”—SPK headline]

[Text] Phnom Penh, 19 Jun (SPK)— An official of the U.S. Senate last Wednesday admitted that the White House had failed in its attempt to persuade the U.S. Congress to adopt a project elaborated by the Department of State to supply military aid to the Sihanouk and Son Sann factions, allies of the Khmer Rouge.

This disappointment for the Bush administration is the result of the debate between two U.S. legislative groups which have argued among themselves about how to prevent the return to power of the Khmer Rouge Pol Potists—universally condemned for massacring over 3 millions Cambodians during their rule in Cambodia between 1975 and 1979.

The rejection of the project by Congress also reflects the realistic attitude of certain circles in Washington concerning the danger of the reemergence of the genocidal regime in Cambodia and their approval of a political settlement of the Cambodian conflict.

Australian Foreign Minister Gareth Evans expressed his concern about the danger of the final destination of weapons the United States proposed to supply to the Sihanouk and Son Sann factions, fearing that they might fall into the hands of the Khmer Rouge. He said this military supply would affect the agreement reached among Cambodian factions on settling the international aspect of the Cambodian conflict.

Iranian President Seyyed 'Ali Khamene'i also condemned the genocidal Pol Pot clique and thought that Cambodia's internal affairs should be settled by Cambodians themselves without outside interference.

The Khmer Rouge's attempt to burnish their tarnished image, including the resignation of Pol Pot from his post in the so-called "Research Institute for Defense" and their recent proposal to change the flag of the tripartite Coalition Government, cannot divert the attention of public opinion from the danger of the reemergence of the genocidal regime in Cambodia.

Furthermore, dictated by their own interests and their ambition for power, members of the fragile alliance of the "tripartite Coalition Government of Democratic Kampuchea" never stop arguing among themselves and tearing each other apart.

The Cambodian conflict will end when the concerned parties adopt a realistic attitude and when the superpowers and ASEAN really support peace efforts.

The Government of the State of Cambodia has done and will continue to do its best to search for an equitable solution to the Cambodian conflict. For national reconciliation and long-lasting peace in Cambodia, it will do all it can so that the international conference on Cambodia in Paris and the next meeting of Cambodian parties will be crowned with success.

The government and the people of the State of Cambodia highly appreciate all realistic and constructive attitudes and all contributions from personalities and countries in the search for peace in Cambodia. They warmly welcome all efforts for a peaceful, independent, and neutral Cambodia which is free of the danger of genocide.

France Proposes Working Groups for Conference
*BK2006060189 Phnom Penh SPK in English 0439 GMT
20 Jun 89*

[Text] Phnom Penh SPK June 20—An international conference on Cambodia in Paris will last one month according to a memorandum issued by host country France, Cambodian opposition source is quoted by AFP in Bangkok last Sunday as saying.

The memorandum, sent by France to potential participants, proposed setting up six working groups to the conference, due to begin August 4 to work out a settlement to the decade-long conflict, the source said.

French Foreign Affairs Delegate Minister Edwige Avice said last week in Geneva that the working groups would look at different areas affecting an end to the war—political problems, foreign troop withdrawal, control mechanism, Cambodia's future institution, refugees, and the country's reconstruction.

The conference is to be attended by the five permanent members of the UN Security Council—the Soviet Union, China, the United States, Britain and France—and the respective patrons of warring Cambodian factions.

Member countries of the non-communist Association of Southeast Asian Nations (ASEAN)—Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand—will take part, as well as a number of other countries including Australia, India and Japan.

The six working groups would meet for three weeks before submitting reports to a "coordination commission," the source said. The commission would work out within a few days a draft communique to be debated and eventually adopted by a meeting of the plenary conference.

The international conference is to be preceded by meetings in Paris of the opposing Cambodian factions.

Prince Ranariddh Discusses Future of State
*BK2006090189 (Clandestine) Voice of the Khmer
in Cambodian 2300 GMT 17 Jun 89*

[Station correspondent's 12 June interview with Prince Norodom Ranariddh, personal representative of Prince Norodom Sihanouk and commander in chief of the Sihanoukist National Army—place not given; recorded]

[Text] [Unidentified correspondent] I am a correspondent for the Voice of the Khmer. My respect to your highness, the royal representative. May you please clarify the following questions for the information of the Cambodian people:

Vietnam and the Heng Samrin regime have criticized and opposed the U.S. plan to supply arms to the non-communist Cambodian resistance forces. What is your opinion on this matter?

[Ranariddh] First of all I would like to thank the correspondent of our Voice of the Khmer for interviewing me today. In connection with your first question about the protest recently made by the Hanoi and Phnom Penh regimes against the plan and project of foreign countries to provide noncommunist resistance fighters with military aid, my opinion is that the provision of military aid to the noncommunist resistance movement is not intended to prolong the bloodbath or war in Cambodia nor is it a major obstacle to the peaceful settlement of the Cambodian problem at all.

On the contrary, if there were an equilibrium among all Cambodian armies in Cambodia after Vietnam has really withdrawn all its troops, there would be peace. In other words, if any Cambodian army—especially the communist armies, the army of Mr Heng Samrin or that of Mr Pol Pot—became stronger than the other armies, that army would use its arms either to defend its illegal regime, such as the Heng Samrin regime, or to seize state power from another army. On the contrary, if there were an equilibrium among all the armies, in particular if the army of the noncommunist Cambodian nationalists, in particularly the Sihanoukist National Army [ANS]—which is an army supported by the people and headed by our samdech euv—if the ANS were strong, I am confident that the people and fighters in the rank of the Heng Samrin army as well as those in the rank of the Khmer Rouge would surely join our army and when our army is strong, it will be capable of maintaining and preserving stability and peace for the people and of preventing any communist army from seizing state power or capturing state power illegally.

Moreover, I would like to inform you, correspondent of the Voice of the Khmer, that at the time when Hun Sen and his regime called on the United States, France, Great Britain, and other countries to stop helping the armies of Samdech Sihanouk and Son Sann, the army of Hun Sen has since March 1989 received considerable amounts of military aid from the Soviet Union. Lately, the Soviet Union provided the Hun Sen regime with 30 T-55 tanks, 30 122- and 130-mm artillery pieces, 76.2-mm cannons, rockets, and a considerable quantity of other war materiel. If Hun Sen really loves peace and the country, why then when he was speaking about peace did he allow his supporters to supply and strengthen his army, why now is he pretending to be a peace activist forbidding genuine peace-loving countries from providing noncommunist armies with possibilities to strengthen their position and to be able to defend peace or to withstand the Khmer Rouge?

Furthermore, should Vietnam really have the goodwill and sincerity to withdraw all its troops from Cambodia by the end of September 1989 as it has repeatedly proclaimed it would do, I wonder why Vietnam has to worry about U.S. aid to the resistance, for when there is no more Vietnamese troops in Cambodia we are not going to use these arms against Vietnam. On the contrary, my opinion is that Vietnam should instead thank the United States if Vietnam really wants to protect and really loves the Cambodian people, if it really does not want to see the Khmer Rouge return to massacre the Cambodian people again after it pulls out, Vietnam should hail President Bush for assisting the army of the samdech and the army of Son Sann. It should applaud this action of President Bush, for he would give the two noncommunist armies the possibilities of ensuring security for the Cambodian people after Vietnam pulls out.

My opinion is that if Vietnam and its satellite Hun Sen have expressed their dissatisfaction and protest it is maybe because they have some ulterior motives: first,

there still are Vietnamese troops hidden in Cambodia when they claim that Vietnam has withdrawn all its troops and, on the strength of these hidden Vietnamese troops, they hope to consolidate the position of their illegal state power.

[Correspondent] Recently, the Heng Samrin regime said that your highness, the royal representative, requested that Samdech Norodom Sihanouk put an end to the talks with the Heng Samrin regime because you believed you could win militarily, for a number of major countries had pledged support for the Cambodian resistance. Please clarify this point.

[Ranariddh] Thank you. In the statement of the Hun Sen regime carried by its news agency, SPK, there are two important points: First, it said I wrote a message to the samdech as you have just mentioned, asking the samdech to suspend peace talks because our side enjoys the support of friendly peace-loving countries which have pledged to give us military aid and with this military aid we will seize state power from Hun Sen. Second, Hun Sen made known that we would seize this state power together with the Pol Potist Khmer Rouge, or in other words, that we would lead Pol Pot to recapture power in Cambodia.

To these two charges, I, Norodom Ranariddh, the son and personal representative of Samdech Norodom Sihanouk and commander in chief of the ANS, would like to solemnly declare over the Voice of the Khmer that ever since the departure of the samdech, after completing his visit to Thailand, I have written not even a single message to him. However, my opinion is that Hun Sen's speculation is all wrong. Why? Before he [words indistinct] to make national and international opinion see that he sincerely wanted to negotiate with Samdech Sihanouk to find a peaceful solution to the Cambodian problem. At the same time, he resorted to tricks such as the latest statement that I, Ranariddh, am the obstacle to peace purportedly because I have not opted for a peaceful solution—an unpolitical solution—that is, a solution through the use of arms. He wanted to show to countries intending to help us, the noncommunist resistance fighters, that supplying arms to the noncommunist fighters has led Son Sann and Ranariddh, especially Ranariddh, to refuse to negotiate to solve the problem peacefully and has caused Ranariddh to seek an armed solution to the Cambodian problem instead. Samdech Norodom Sihanouk is well aware of the truth, for truthfully I have not sent any message to the samdech, be it about suspending talks or any other issues. The samdech is quick to realize that Hun Sen is not sincere. The samdech is the first to realize, to judge the insincerity of Hun Sen and his regime. Seeing Hun Sen's statement in SPK, the samdech thought: My son has not sent me any message at all, why does Hun Sen say he did? Certainly, he says so in order to mislead international opinion into condemning Ranariddh and stopping aid to the resistance. The samdech will be the first to see through and pass judgment on the insincerity of Hun Sen and his regime whenever they talk about their desire to find peace for Cambodia.

For this reason, gentlemen, I am quite glad to see that Hun Sen and his regime are quite shallow in their thinking. They did not realize that their slanderous attack on me could instead turn against themselves, for it shows the samdech before next July's talks the lack of sincerity of the Hun Sen regime in its so-called search for peace. Moreover, in this connection, I would like to inform you that when I paid a visit to France and a visit to London, England, I met with the top-level leaders of the French Socialist Party, I had talks with Claude Martin at the French Foreign Ministry; I met and exchanged views with Lord Glenarthur at the Foreign and Commonwealth Secretariat of the United Kingdom, a high-ranking leader and official of the British foreign ministry second only to Sir Geoffrey Howe; I met with British Parliament members; and I met with important academics, professors, and journalists in London. In both Paris and London I did not talk about the French or British military aid to the noncommunist resistance movement. On the contrary, with these personalities—and I have many witnesses to back me up—I exchanged views on the solution to the Cambodian problem and on the coming July talks among the Cambodians to find a means to settle the Cambodian problem peacefully and I also discussed with them how at an international conference that may be held in Paris next August will it be possible to find a formula to solve the Cambodian problem peacefully. I informed them that the Cambodian problem can be solved only:

1. If we can find a formula for controlling and verifying the withdrawal of all Vietnamese troops from Cambodia.
2. We must not merely look for Vietnamese troops in Vietnamese uniform only. We must find out how many Vietnamese are disguised and integrated in the ranks of the Heng Samrin army.
3. We must also find out in the villages, districts, and provinces how many Vietnamese residents who are former Vietnamese soldiers, former Vietnamese officers, and former well-structured Vietnamese Communist Party cadres. We must see how many of them are hiding in the villages and districts of Cambodia.

I also said that we must see, too, where and how many cannons, guns, and rifles the Vietnamese have hidden. We must look at everything. It is not enough just to verify the withdrawal of uniformed Vietnamese troops. For example, at present if through Kompong Cham, Memot, Svay Rieng, Prey Veng, and Kampot, Vietnam quietly sneaked into Cambodia 120,000 troops and on 30 September it let people witness the genuine withdrawal of 50,000 troops, there would be 70,000 Vietnamese troops left. On this point, I insisted that to solve the Cambodian problem, the international conference must set up an international organization capable of verifying not only the Vietnamese troops in uniform but also the Vietnamese troops integrated into the Heng Samrin army as well as planted in villages and provinces.

Moreover, regarding this control mechanism, my opinion is that we Cambodians must also be allowed to take part in it, for only the Cambodians can say this man is a Vietnamese and this other man is not a Vietnamese. Both the tripartite Cambodians and the Hun Sen Cambodians must be allowed to join that organization so that it can truly verify. This is only my opinion. Furthermore, this control organization must not be placed under a Cambodian state authority, for should it be placed under a Cambodian state authority it would not be able to function freely. For example, if Khieu Samphan said there were Vietnamese hiding in an area, Hun Sen might say that it was not possible to go there and this organization just could not go there and verify. On the contrary, if Hun Sen said he had knowledge that Pol Pot was hiding guns in southern Cambodia and asked the organization to go and verify, Khieu Samphan might say that it should not go. As a result, there could be no efficiency. It is my opinion that this organization must be placed under the supervision of a major organization such as the United Nations or the five permanent members of the UN Security Council. This was my opinion in the exchanges of views during my visit to France and England.

Regarding the question of reconciliation among Cambodians, I said that from the beginning all Cambodians must not agree in principle on an independent, neutral, and nonaligned Cambodia with territorial integrity alone. We must also talk about another question related to the political and economic as well as social systems of Cambodia. All Cambodians must agree with each other in making the Cambodian community as well as international community realize that we adhere to a fully liberal democratic system and, in particular, if we want to have a fully liberal democratic system, all Cambodians must accept a multiparty system that the French call le systeme pluripartisan. This multiparty system means that we must have several political parties, not like Article 4 of Mr Hun Sen's Constitution which stipulates that the ruling party must be his so-called Revolutionary Party. Though he has yet to unite all Cambodians, he already insists that his be the leading party. What would Hun Sen say if the Khmer Rouge insisted that the ruling party must be Pol Pot's party? Would it be able for us to achieve reconciliation? What would he say if I said that I do not agree to reconciliation unless you let our FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] be the ruling party; otherwise, no reconciliation is possible. And what would happen if Uncle Son Sann, His Excellency Son Sann, too, insisted that his party, his KPNLF [Khmer People's National Liberation Front], be accepted as the ruling party? How can we reunite the Cambodians then? To achieve reconciliation we must agree to let the Cambodian people choose, make it possible for them to accept, and set up the so-called multiparty system in our country. This is my opinion in brief.

I would like to affirm to you again that when I visited France and England I told our French and English

friends that I expected that in July all four Cambodian parties will show to Cambodian and international opinion alike that they understand the word patriotism, that as Cambodians they know when to make sacrifices, when to leave aside their personal interests. When we have only the national interests at heart, once we disregard the interests of the groups, of the foreigners, I am confident that in July we Cambodians will be able to settle the problem among ourselves.

To put it frankly, only Hun Sen and Khieu Samphan can solve the Cambodian problem. On the samdech's side, we have already informed all of you that we despise Pol Pot, Ieng Sary, Ta Mok, Mrs Ieng Sary, and so on. We hate them and we do not want them back in power. But, whenever we talk about national reconciliation, with the exception of Pol Pot, Ieng Sary, Ta Mok, Nuon Chea, and so on, we accept anybody just as we have accepted Hun Sen, Heng Samrin, Chea Sim, and so on. It is correct, isn't it, that we have accepted Khieu Samphan and Son Sen? We see no problem, therefore, if the two gentlemen—Hun Sen and Khieu Samphan—agree to accept each other. If Hun Sen said I, Hun Sen, accept Khieu Samphan, and vice versa, the Cambodian problem would have been solved already. The question is not in Ranariddh going around begging for foreign guns, but in the two communist factions refusing to reconcile with each other, in China refusing to befriend the Soviet Union and Hun Sen with Khieu Samphan. Our side has already accepted both Hun Sen and Khieu Samphan, how can anyone find fault with Ranariddh? It is not right to blame Ranariddh for the unsolved problem. They were together from 1970 to 1978, joining hands in slaughtering and bleeding the Cambodian people. Afterward, one of them accused me of blind allegiance to China, that is the Khmer Rouge, and the other accused me of blind allegiance to Vietnam. When China and the Soviet Union have had a falling-out, a quarrel with each other, Hun Sen and Khieu Samphan too have fallen out with each other. Even now they have refused to reconcile and Ranariddh is being blamed for it.

All venerable monks in the country and the Cambodian people are begged to please understand that if there is no Cambodian solution it is because each of the two sides refuses to reconcile or talk about the national reconciliation. However, in their respective constitution, it is said that there is national reconciliation only when the whole nation agrees to live under a regime, under a party. Therefore, I would like to conclude my answer to your second question by assuring all venerable monks and all brothers in the country that I have never sent a message to the samdech and asked him to stop negotiating with Hun Sen. On the contrary, I am proud and delighted to hear that the samdech and Hun Sen made some progress in their Jakarta talks. When I visited Paris and London, I met many leaders and they can prove that I did not talk about military aid. My talks concentrated mainly on the means to solve the Cambodian problem next July and August.

Another thing that I would like to tell you is that I will never bring the Khmer Rouge back. Let me make it short: my father has five of his children among the victims of Pol Pot. Royal Consort Monique herself has her own brother and brother-in-law among those victims, too, because Hor Nam Hong [currently one of the Phnom Penh leaders] sent the two of them to Ieng Sary to be executed at Tuol Sleng. Seven of my wife's parents and relatives were killed by the Khmer Rouge. Almost every Cambodian seems to have suffered in one way or another under the Khmer Rouge. Who then wants to bring the Khmer Rouge back? On this occasion, I would like to emphasize for you again that our Samdech Euv has repeatedly stressed that if Vietnam really completely withdraws and if the two Khmer Rouge—the ex-Khmer Rouge and the present-day Khmer Rouge—attack each other and scramble for power, we of the ANS will never allow history to condemn us as taking part in the bloodbath among the Cambodians. ANS will remain strictly neutral and will protest against and condemn anyone who causes a bloodbath of the Cambodians and will appeal to any Cambodian parties involved in the fighting following the complete withdrawal of the Vietnamese to stop fighting and to agree with each other in finding a peaceful solution to the Cambodian problem and peace and freedom for the Cambodian people.

[Correspondent] Dealing with the constitution, what is your opinion about the constitution of the Heng Samrin regime? Do you believe that the Hun Sen regime's constitution can bring genuine democracy to Cambodia?

[Ranariddh] To effectively answer your question, I would like to cite the views of Samdech Norodom Sihanouk—our samdech euv—dated 26 May concerning the constitution of Hun Sen's state of Cambodia. In his remark, the samdech said: This constitution has its good articles, such as the one about the name of the State of Cambodia, which is no longer called the People's Republic of Kampuchea, the one about Buddhism, which is proclaimed the state religion, the one about respect for human rights, which the samdech said is not a genuine respect after all, and so on and so forth. However, Samdech Norodom Sihanouk—our samdech euv—went on to say that it is most unfortunate that the same constitution contains awfully many articles that non-communist, anti-Vietnamese Cambodia, a Cambodia that is not pro-Vietnamese and not a Soviet-style communist can never accept because the overwhelming majority of Cambodians, men and women, in the country as well as abroad, are hungry for democracy and earnestly demand for Cambodia a liberal democratic system like the one practiced in Western countries such as France, the United States, and so on. In French, this is called la democratie liberale, that is a liberal democratic regime as opposed to the communist democratic regime called la democratie populaire [popular democracy].

The samdech has closely and thoroughly studied the constitution of Hun Sen's State of Cambodia. He found out that the judiciary, executive, administrative, legislative, and presidential systems, for instance, that Hun

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Sen's constitution imposes on the Cambodian people, Cambodian nation, and Cambodia as a whole are clearly communistic, Viet Minh-style, and a la Soviet. In this connection, the samdech stressed that it was true that Hun Sen had asked him to amend and correct the constitution. But, as I just told you, after he thoroughly studied and examined various articles and chapters of this constitution, with much regret, the samdech expressed the opinion that it is beyond his ability to amend it, for he would have to change too many articles to amend it or, in truth, he would have to dissolve the Hun Sen regime itself. But we know very well that Hun Sen and his party would never agree to have their regime dissolved. For this reason, the samdech said we must let the leaders of the four Cambodian parties discuss the constitution of the State of Cambodia when they meet in France on 25, 26, 27, and so on next July.

In his note dated 26 May 1989, the samdech made it clear that in any case his party—namely FUNCINPEC—and the samdech himself cannot accept to cooperate in the political, governmental, administrative, and legislative fields with Hun Sen's regime so long as this regime continues to force us to accept its constitution with many articles which show us that Hun Sen's is not a liberal regime that might tolerate a form of liberal democracy in our country but instead a communist regime and especially a Soviet- and Vietnamese-style communist regime.

I would like to conclude my answer to this question by informing Hun Sen that should he want to see reunion, harmony, and reconciliation among the Cambodians in Cambodia and a truly liberal regime under which each citizen has the freedom to express his opinion as a free man, Hun Sen must absolutely not declare as in Article 4 of the Constitution that the Communist Party, the so-called Revolutionary Party, as the leading party, the ruling party of the nation. For, as I said just now, if you insist that we must place ourselves under this party, would His Excellency Son Sann agree to it? The samdech said he would not accept that. Would Khieu Samphan accept it? Would Hun Sen himself accept if we insisted that FUNCINPEC must be accepted as the leading party? This is surely not a means to settle the Cambodian reconciliation question and the so-called Cambodian problem. And we are speaking only about Article 4!

Moreover, in his constitution there are state laws—which are many—dealing with special relationship, special friendship, and special cooperation with Vietnam and Laos. This kind of declaration and position is diametrically opposed to Cambodia's neutrality.

This is only part of my answer. It is regrettable that the great expectations entertained by Samdech Norodom Sihanouk after meeting with Hun Sen in Jakarta will not be realized. The samdech had much hope that in the not too distant future, if Vietnam really withdrew all its troops from Cambodia and if it were possible for him to

change the Hun Sen regime into a truly liberal democratic regime, it might be possible for all of us Cambodians to reunite and, together, we would be able to rebuild Cambodia. But as I just informed you, after he studied His Excellency Hun Sen's constitution, he found that this constitution had too many communist characteristics a la Soviet Union and Vietnam. I regret that after doing such a thing, Hun Sen still boasted that his regime would give rights and freedom to the Cambodian citizens. He behaved as if the Cambodians were ignorant people: a little propaganda would suffice to convince them to accept his constitution. He insulted international opinion. Only because people wanted to go to his country, to go visit Angkor Wat, and to see Phnom Penh, he thought they already took his regime as a liberal one. This is an insult to international and national opinion. He regarded it as being dumb: just a little deception would suffice to mislead it. However, the writing, the constitution remains there in full view.

As I said just now, I hope—to tell you the truth—I hope that I myself might go back to Cambodia if Hun Sen really adopted a liberal regime. When there are no more Vietnamese and with a liberal Hun Sen regime, I should not be afraid to go to Cambodia. Samdech euv, too, has entertained the same hope. I would like to inform all venerable monks and Cambodian compatriots that when there are no more Vietnamese in Cambodia and when Mr Hun Sen's regime becomes a liberal regime in which particular respect for human rights is observed, a multi-party political system is recognized, and every Cambodian can express his opinion freely, both Samdech Norodom Sihanouk—our samdech euv—and myself dare to announce that we will not be afraid to return to Cambodia. Next July and August, if Mr Hun Sen shows us that there is a formula [for settlement], that there is consensus both among the Cambodians and the foreigners on having the Vietnamese completely pull out from Cambodia—like I said just now, not only the Vietnamese in uniform, but also the disguised Vietnamese and the Vietnamese hiding among the people—and that his regime becomes genuinely liberal, I dare to inform you that I will not hesitate to announce that I will immediately return to Phnom Penh. If these conditions are not met, not only Ranariddh but any other Cambodian patriot will never agree to return.

For this reason, will it be possible to solve the Cambodian problem? Should we continue to accuse this or that person of opposing peace? My opinion is that it is easy just to make empty statements, but facts are another story. Let me inform you about my meetings with His Excellency Hun Sen. After my first meeting with him at Fere-en-Tardenois [France], I was delighted as I thought he was a pure patriot. Lately, His Excellency Hun Sen has changed his attitude toward our samdech euv. All venerable monks and Cambodian brothers can judge for yourselves after hearing Hun Sen's statements and speeches; you must know by now whether Hun Sen is a sincere or insincere person. Before seeing the samdech at the first Fere-en-Tardenois meeting, His Excellency Hun

Sen used only honeyed words. His radio, newspapers, and propaganda machines praised the samdech after having called him names before the first meeting. Between the first and the second meetings, they still made some adequately good comments about him. After the first meeting, they really went all-out in praising him, calling him hero and so on as all of you have heard. After the second meeting, some bad odor arose out of the talks. His Excellency Hun Sen then launched extremely vicious verbal attacks against the samdech. His newspapers, news agency, and propaganda machines before national and international opinion vented out their indignation by criticizing, scorning, and cursing the samdech. Then, before and after the Jakarta [meetings], he became so sweet again. Now, at this coming fourth meeting in Paris, what will he be like? Hun Sen, you change so fast; who can believe you? Can we believe you? Can the Cambodian people trust the future of the nation and their own future to you?

You used to badmouth Samdech Norodom Sihanouk. You told other people not to believe the samdech. Have you forgotten that you said the samdech changed his mind incessantly, on a daily basis? Let me tell you, Excellency Hun Sen, that from before the first to the third and fourth talks you have changed your opinion about the samdech at least 3 times. In making this remark, I only want to show that in any case I as a Cambodian and the samdech as a Cambodian still hope that Mr Hun Sen and all of us will one day have the possibility to solve the Cambodian problem among us Cambodians at a time when—to our knowledge—like it or not Vietnam will have to let your regime down. Then, you will wake up and realize that the Cambodians must unite to solve the problem and rebuild their own nation.

[Correspondent] What kind of constitution do you want to have for Cambodia in the future? Please make your position on this matter clear to all our Cambodian people.

[Ranariddh] When Samdech Norodom Sihanouk—our samdech euv—talked about the Constitution of the State of Cambodia—namely, that of the Hun Sen regime—saying it is communistic, he told me, Norodom Ranariddh, who fully agrees with him, that we must prepare a draft constitution and make this draft constitution known to national and international opinion, informing them of its peculiarities. The main points of the constitution we want for the state of Cambodia, for our beloved Cambodia are as follows:

1. The State of Cambodia should be called simply Cambodia. There is no need to call it Democratic Kampuchea or the State of Cambodia. We simply call our country Cambodia.

2. Regarding the political system, it must conform with the liberal democratic system known as la democratie liberale et parlementaire—that is, parliamentarian. In other words, the legislative must have two parts, a national assembly and a senate.

3. The head of state of our Cambodia must be officially called the president of Cambodia.

We propose that the governmental election should be conducted in the same way used by France or more clearly in la Cinquieme Republic—that is, the Fifth Republic of France—which is as follows:

The president of Cambodia must be elected through secret ballot or bulletin secret and by suffrage universel meaning that all Cambodian people entitled to vote will vote our president for a 7-year term. This is contrary to Hun Sen's constitution in which the president, like in the Soviet Union and Vietnam, is nothing more than a puppet of the parliament as well as a puppet of the communist party. The one who wields real power in a communist state is not the president elected by the people but the party secretary. It is the party secretary who wields power in a communist state. As far as we are concerned, we demand a multiparty system and a president elected by all Cambodian people and capable of governing Cambodia on behalf of the Cambodian voters.

4. In this draft constitution, we will propose the establishment of a socioeconomic system, the press and radio-television system, the human rights system, and so on similar to the systems in Europe's liberal democratic countries, the United States, and so on.

In our present world, there are two systems: people's democracy and liberal democracy. Hun Sen continues to adhere to the people's democratic system. We will demand and propose the establishment of a liberal democratic system in Cambodia.

5. We will officially declare and respect Buddhism as the state religion of Cambodia. Since we have also observed that there are Cambodian brothers of the Islamic and Christian faiths, we will declare that though we proclaim Buddhism as state religion, Cambodia also recognizes the two other religions—namely, Islam and Christianity.

In conclusion, we will declare that we resolutely respect the tradition and autonomy of all Cambodian ethnic groups, such as the Khmer Leu and so on.

6. Our draft constitution will declare that Cambodia is an independent, neutral, nonaligned state within the framework of its pre-1970 territorial integrity. What does this mean? It means that our new Cambodian state absolutely refuses to recognize all the treaties signed by either the Pol Pot or Heng Samrin states with Vietnam, Laos, or any other countries. Our opinion is that we should let the new government born out of the will of the free Cambodian people decide on the treaties to be signed with other countries. I would like to officially declare that our new state recognizes neither the international treaties that Hun Sen's regime had signed with Vietnam, Laos, and so on nor the internal laws of his state.

Such is the royal idea of Samdech Norodom Sihanouk given to us Sihanoukists who fully agree with and support it, for we are confident that only a regime of this type can provide our Cambodian people and nation freedom, independence, sovereignty, and democracy, can unite Cambodians of all tendencies, and can bring peace to our country. However, peace without freedom has no meaning whatsoever. Thank you.

Sihanouk Office Warns of Disguised SRV Troops
BK2006062989 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 19 Jun 89

[Text] On 16 June, the office of Samdech Norodom Sihanouk issued a communique saying that the Hanoi Vietnamese have been trying to disguise Vietnamese aggressor soldiers in Cambodia as puppet troops and include them in units of lackey puppet forces; these soldiers are also hidden among the Cambodian people and in the jungles.

The communique specified that currently there are over 1 million Vietnamese soldiers disguised as Cambodian troops, spies, terrorists, and subversive forces which the Hanoi Vietnamese have implanted among the Cambodian people, in units of Cambodian forces, and in the jungles. This communique also stated that Vietnam continues to hide all types of weapons and a large quantity of ammunition and war materiel throughout Cambodia. These weapons, ammunition, and war materiel are for assisting Vietnam's hidden forces in creating havoc in Cambodia in the future.

Laos

Kaysone Phomvihan Addresses SPA Session

Part 1 on History of SPA
BK1106131289 Vientiane PASASON in Lao 31 May 89 p 1

[Part 1 of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane 30 May]

[Text] Respected Presidium,

Honorable Members of the Supreme People's Assembly,

Comrades and friends:

Today I have the great honor to attend the opening of the inaugural session of the new Supreme People's Assembly. On behalf of the party Central Committee, the Council of Ministers, and in my own name, I would like

to take this opportunity to extend my warm congratulations and greetings to all of you, comrades, who represent the perseverance, aspirations, and right of mastership of the entire multiethnic people throughout the country. I would like to extend my respect and commendation to all diplomats of foreign countries attending the inaugural session of the new Supreme People's Assembly of the Lao People's Democratic Republic [LPDR].

Beloved delegates, comrades, and friends,

In late 1975 or after the complete seizure of power throughout the country, we still did not have sufficient conditions to organize the general elections to create organizations representing the people at various levels. The Supreme People's Council, which was set up at that time, comprised representatives of multiethnic people of all strata, personages, intellectuals, persons of royal lineage, and those who had worked in the administrations of the old regime. The composition of the then Supreme People's Council reflected the good intentions of our party. It also proved the consistent and correct implementation of our party's policy of national concord and unification.

Throughout the past 14 years, under the party's leadership, the First Supreme People's Council has fulfilled its tasks, thus positively contributing to educating and training the multiethnic people and encouraging them to take part in carrying out the cause of defending and building the country and building the new system. On behalf of the party Central Committee, I would like to hail the great achievements that the First Supreme People's Council has scored in service of the nation and people. Nevertheless, the then Supreme People's Council was not an organization genuinely elected by the people. It was merely an interim organization which was set up under certain historical conditions. Now was the time to make a change in the Supreme People's Council to serve the requirements and revolutionary tasks in the new stage. This is why we have organized the elections of the new Supreme People's Assembly [SPA].

The victory and success achieved in the recent elections of the SPA and the people's councils at various levels marks a milestone of the growth, development, and unanimity in the political field. They have shown the sense of mastery and the patriotic spirit of our multiethnic Lao people throughout the country. They have also reflected the superiority and democratic nature of our new system as well as the people's confidence in the new system. The victory and success have once again proved that our party's line and policies in general and the policy on the elections of people's councils at the various levels in particular are absolutely correct.

On this significant occasion, on behalf of the party Central Committee and the Council of Ministers, I would like to present certain aspects of the international situation and the foreign policy of our party, the general situation in our country over the past 2 years, certain

viewpoints on the enhancement, promotion, and expansion of democracy, and duties and activities of this SPA to be used as the basis for the newly elected representatives to study and discuss their duties and responsibilities.

I. The International Situation and Foreign Policy of Our Party

1. On the International Situation

Since 1988, the international situation has continued to change profoundly, thus marking the new development of the political and economic situation of the world. Though the situation is complicated, it has basically changed in favor of the force for peace, national independence, democracy, and social progress.

A) First and foremost, it is the profound change in the world economy and in the international economic relations. With the vigorous impact of the scientific and technical revolution, the production force in the world has unprecedentedly achieved new steps of development in term of quality. The said development has vigorously pushed forward, to an ever higher level, the internationalization movements. International economic relations have surpassed the walls of various military alliances and the different political systems. Economic relations among various countries have been broadening with each passing day. All countries—be they big or small, developed or developing—have broadened their economic relations with other countries, because the present world has become the common market. No country, no matter whether it is rich or poor, can develop without having to maintain international economic relations.

B) The broad movements of the peoples of various countries in struggling for peace, arms reduction, elimination of nuclear weapons, and establishment of nuclear-free zones have been increasingly developed and expanded enthusiastically as never before. The Soviet Union and various socialist countries have repeatedly raised peace proposals and initiatives, including the proposal on the establishment of comprehensive international security system. They have also unilaterally reduced the numbers of their manpower, weapons, and military budgets. On 7 December 1988, the Soviet Union announced the reduction of its troops by 500,000 and the conventional weapons of many types in the next 2 years. It has withdrawn a number of its troops from Hungary, Czechoslovakia, and Mongolia. In mid-April 1989, foreign ministers of the Warsaw Treaty member countries held a meeting in which they proposed for a convening of a consultative meeting on the reduction of strategic nuclear weapons in Europe with a view to contributing to preventing a sudden attack. Of late, the Soviet Union has also decided to withdraw a number of its troops from the Soviet-Chinese border after the two sides have normalized their relations. All these have

proved the good intentions and key roles of the Soviet Union and of various socialist countries in the movements of struggle for world peace and security.

Part 2 on Foreign Relations

*BK1206062189 Vientiane PASASON in Lao
1 Jun 89 p 1*

[Part 2 of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane 30 May]

[Text] Relations between the East and the West have drastically changed. The most prominent change was the signing of the treaty on the elimination of short- and intermediate-range nuclear missiles. Another change is the ongoing negotiations between the Soviet Union and the United States, aimed at reducing offensive strategic nuclear weapons by 50 percent.

All this clearly shows the strong aspirations of the world peoples for peace, security, and development. The path of the struggle for peace, for the reduction of forces, and for the elimination of nuclear weapons is the only way to help preserve civilization and mankind.

C) The relations between the superpowers, between those countries pursuing different political and social systems, and between countries which have not been on good terms or are antagonistic toward one another are gradually improving. Between late 1987 and late 1988, three summits were held between the Soviet Union and the United States, and preparations are currently being made to hold another. After 30 years of tension in the relations between China and the Soviet Union, the leaders of the two countries recently met and held talks, agreeing to resume normal relations. This major event conforms to the interests of the peoples in the two countries and has significantly contributed to peace, friendship, and cooperation in the Asia-Pacific region and to world peace. The overall trend in international relations is changing from tension to detente and from confrontation to negotiation. People all over the world are simultaneously opposing and cooperating, while peacefully coexisting, with one another.

Relations between the Soviet Union and India are also developing with every passing day.

Under these circumstances, conflicts in many regions have been settled through political means, such as the signing of the Geneva accords on Afghanistan. The cease-fire between Iraq and Iran brought the Persian Gulf war to an end; Cuba has withdrawn its troops from Angola while South Africa has also withdrawn from the areas it occupied in Angola and has given independence to Namibia. The establishment of the State of Palestine and the recognition of the existence of the State of Israel

by the PLO constituted a great victory for the Palestinian people and served to promote a process for convening an international conference on the Middle East problem. The trend toward negotiation to resolve conflicts and to restore peace in Latin America is continually developing.

D) The situation in Southeast Asia is also rapidly and profoundly changing in various aspects.

The struggle to settle the Cambodian problem and to build Southeast Asia into a zone of peace, stability, friendship, and cooperation is entering a new stage in a direction favorable to the just cause of struggle, thus conforming to the aspirations and interests of the people in this region.

The withdrawal of three-fourths of the Vietnamese volunteer forces from Cambodia and the declaration that the rest of them will be withdrawn by September 1989, the recognition of the amended draft constitution by the Cambodian People's Council, the outcome of the first and second Jakarta informal meetings [JIM 1 and 2], and especially the outcome of the meeting between Chairman of the Council of Ministers Hun Sen and Prince Norodom Sihanouk in Jakarta in early May have prompted world public opinion to demand that the withdrawal of the Vietnamese volunteer forces be simultaneously carried out with the cessation of military assistance to all factions in Cambodia, the cessation of all forms of interference in the internal affairs of Cambodia, and the prevention of the genocidal Pol Pot clique from returning to power in Cambodia.

The balance of forces in Cambodia is profoundly changing each passing day. The miraculous revival and great achievements in various fields scored by the Cambodian people over the past more than 10 years are a sign of the incessant growth, strength, and development of the Cambodian revolution. The Cambodian Government has genuinely taken control of the entire territory of Cambodia and its status and role are becoming more prominent in the international arena. The policy of national reconciliation pursued by the Cambodian Government has also received vigorous support from the people of all strata both at home and abroad. World public opinion has also extensively endorsed this policy. In the meantime, the three rival Cambodian factions are deteriorating every day while their internal rifts are deeply developing. These factors have created the possibility for achieving a rapid settlement of the Cambodian problem through reasonable political means, which correctly reflects the reality in Cambodia and conforms to the strong aspirations of the Cambodian people.

The relations among the countries in Southeast Asia have also made new developments after 10 years of confrontation. It was the first time the countries in the Indochinese and ASEAN groupings met and held negotiations at the JIM 1 in July 1988 and the JIM 2 in February 1989 to settle the Cambodian problem as well as the problem regarding peace and stability in this

region. The improvement and strengthening of relations between our country and Vietnam and the Kingdom of Thailand, Indonesia, Malaysia, and the other ASEAN countries, and the two meetings between Cambodia's Hun Sen, chairman of the Council of Ministers, and Prime Minister Chatchai Chunhawan and other important persons of the Kingdom of Thailand constituted a new step of positive development contributing to a correct settlement of the Cambodian problem and the building of Southeast Asia into a zone of peace, stability, friendship, and cooperation.

Generally speaking, the current international situation is very favorable, and international economic relations are also expanding. The trend of confrontation is being thwarted while the trend toward negotiation is marching forward brilliantly. Nevertheless, the struggles for peace, national independence, democracy, and social progress carried out by many countries are still developing in a confusing and fierce manner. Even though the holocaust of a nuclear war has been thwarted, it has not yet been firmly checked. The imperialists and reactionaries still have a plan to rely on the use of force in international relations and have not yet abandoned the policy of interfering in the internal affairs of many countries. They are opposed to the establishment of a new correct and equitable international economic order. They are seeking all methods to undermine any agreements they have signed and are trying to obstruct the reasonable settlements of many problems, such as the problems in Afghanistan, Namibia, the Middle East, Central America, and Southeast Asia.

However, the epochal trend has already changed and all countries aspire to attaining independence and freedom and to carrying out national development in peace. People in all countries are now awakening. All peace and progress forces in the world possess enough strength to safeguard peace in order to allow mankind to coexist with friendship and cooperation for national development and construction.

Part 3 on Economic Relations

*BK1206150689 Vientiane PASASON in Lao
2 Jun 89 p 3*

[Part 3 of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane on 30 May]

[Text]

2. Immediate Tasks in Foreign Relations of our Party and State.

The year 1988 saw achievements in the political, socio-economic, and national defense areas. We have also scored great victories in international affairs and activities, as well as in relations with foreign countries. Our government's role in the international arena is being consistently enhanced.

Our immediate undertaking is to take the opportunity to create external conditions in favor of the tasks of defending peace, energetically strive for socioeconomic change, improve and expand the popular democratic system so as to bypass capitalism and advance step by step to socialism, and contribute to the struggle being waged by many countries for peace, national independence, democracy, and social progress.

In the new era, the broadening of economic relations with foreign countries is an important part of the foreign affairs undertaking. Therefore, the direction of economic relations with foreign countries must lead to securing capital, technology, and knowledge from foreign countries on the basis of respect for independence and sovereignty, equity, and mutual interests, which will be the foundation for the lasting relations between us and countries concerned.

Vietnam, Cambodia, the Soviet Union, and other socialist countries are our strategic allies. We will continuously improve and strengthen the spirit of militant solidarity, special relations, and all-round cooperation with Vietnam and Cambodia and deepen economic, cultural, scientific, and technical cooperation between Laos and Vietnam and between Laos and Cambodia in all forms, with contents compatible to realities and with high quality and efficiency.

We will do our utmost to cooperate with fraternal nations and friends in the world to find the right solution to the Cambodian problem and to maintain peace, stability, friendship, and cooperation in Southeast Asia—on the basis of the defense of the revolutionary gains and in the interests of the Cambodian people and people in all countries in the region.

Part 4 on U.S. Relations

BK1306073389 Vientiane PASASON in Lao
3 Jun 89 pp 1, 3

[Part 4 of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane 30 May]

[Text] Solidarity, friendship, and all-around cooperation with the Soviet Union are the matters of strategic principle and the cornerstone of our foreign policy. Relations and cooperation with the Soviet Union and other socialist countries are maintained by utilizing new mechanism and new methods as agreed to by both sides with the intention to achieve ever more efficiency.

We will continue to strive for the improvement of relations with the PRC and increase trade and economic cooperation with that country on the basis of mutual benefits.

Relations between our country the Kingdom of Thailand are now in a new era. The visit to our country made by His Excellency Prime Minister Chatchai Chunhawan early this year as well as his meeting with me in Vientiane have greatly contributed to the increase in mutual understanding and improvement of bilateral relations and the effort to set the principles, content, limits, and mechanisms for maintaining friendly ties and durable multifaceted cooperation between the two countries. The LPDR, out of its good intention, is always willing to hold consultations with the Thai side to organize the fruitful implementation of the joint communique signed by both sides.

We will continue to further develop our relations with the ASEAN member countries and cooperate with them to find a quick solution to the Cambodian problem so as to contribute to the construction of a zone of peace, freedoms, neutrality, friendship, and cooperation free from nuclear weapons in Southeast Asia.

India is a big friendly country. It has been playing an important role in the Nonaligned Movement in the Asian and Pacific region and in the world. We have been relentlessly trying to increase friendly relations and multifaceted cooperation with India.

Our friendly relations and cooperation with Sweden, Japan, Italy, France, other countries, international organizations, and nongovernmental organizations are being expanded. We will continue to improve and expand our relations with those countries and organizations and try to utilize aid and assistance from our friends in a more effective manner.

Touching on our relations with the United States, our government has been trying to respond to every issue in which the United States is interested. During the past years, relations between the two countries have expanded but still at slow paces. We believe that Lao-U.S. relations will again be expanded if the United States will also respond to every issue of interest to us.

We wish to express our sincere gratitude to comrades and friends in all parts of the world for their moral support for our people's tasks of national defense and construction and for the valuable assistance in various fields rendered to the LPDR and Lao multiethnic people.

Our party, government, and people pledge to do our utmost to contribute to the struggle for peace, international security, friendship, and cooperation.

II. The Domestic Situation and Objectives for 1989

1. On the Domestic Situation

From the beginning of 1988 to now, many developments have been in our favor. The international and regional situation is illuminating the tendency toward detente and cooperation. Our people have been elated by and

have responded to the new line of changes put forth by the fourth party congress. However, we have also encountered many difficulties, prominent among which were the invasion and occupation of our western territory and the severe droughts plaguing the central and southern provinces, the country's breadbasket.

Thanks to the sensitivity to the changing situation and prudent leadership, our party and state have been implementing correct policies and strategy and closely coordinating internal and external movements thus succeeding in controlling development of the situation the country.

The major achievements we made in 1988 are as follows:

A) In compliance with the spirit of the resolutions of the fourth party congress, since early last year, we have succeeded to a certain extent in implementing the policy of effecting all-around changes in terms of concepts, structure, and economic management mechanism as well as organizations, inspection work, and methods and patterns of work.

We have educated and trained cadres, party members, and multiethnic people so that they will grasp new concepts step by step and acquire uniformity in recognizing our party's line of effecting new changes. In the socioeconomic area, we are able to determine in a more distinct manner the characteristics of our country's revolution in the new era of improving, promoting, and expanding the popular democratic system so as to bypass the capitalist stage and advance step by step toward socialism. We have revised and improved the details of economic structure policy of combining agriculture, forestry, industry, and services together. We regard agriculture and forestry as the foundation and agriculture as our number one battlefield. We have decided to do away with the bureaucratically centralized and state financing mechanism and shift to complete business accounting mechanism. We have declared the policy of the exploitation and expansion of the hidden potentials of all economic sectors on the basis of the right of ownership in different forms and applied various means of cooperation and coordination with different economic sectors along the path of state capitalism. In so doing, state economic sectors play a leading role and intervene in every movement of economic production. All of these are designed to turn the natural subsistence agriculture to be the commodity-producing agriculture so as to bypass capitalism and advance step by step toward socialism which is the victory of the application of the theory of Marxism-Leninism with realities in our country. This victory is extensively meaningful and leads us to score more victories in other fields.

B) Based on the new concepts, new economic structure policy, and new management mechanism which we have applied in various sectors and areas of undertakings, we have laid down programs with objectives such as the educational strategy program, foodstuff and grains program, and forestry program. We have promulgated 11

major policies aiming at activating and promoting production and broadening the circulation of goods and the Law on Investment so as to widen economic relations with foreign countries. These policies have begun to have an impact on the country's life.

In agriculture, the policy for allocation of land and forested areas to farmers and producers, the balancing of labor force and available land, the assignment of work on contractual basis, the turning of cooperatives to engage in various occupations, and the implementation of the two-way service plan have been strongly supported by the masses. In many localities, the opening up and restoration of farmland, enlargement of cultivating areas, intensive agriculture have been carried out enthusiastically. Farmers in mountainous regions have been engaging in terraced cultivation and applying the method of crop rotation while clearing up new areas in the low plains. Crop cultivation, animal husbandry, and forestry have been combined together. It is unfortunate that agriculture in our country still has to rely on nature. Worse still, severe droughts and pests our agricultural production in the past year was severely damaged by droughts and pests.

In the industrial area, we have reorganized industrial production and encouraged production units to apply the business accounting system, and granted right of autonomy to enterprises. A number of production foundations have registered primary achievements in performance efficiency, payment of salaries, and in fulfilling their obligations to contribute to the central budget.

Regarding communications and transportation, we have come to the point of making use of the transportation potentials of the private sectors on the contractual and bidding basis. We have contacted foreign countries and international organizations to seek assistance for renovation and construction of new roads, extended the communication network, mapped out plans for construction of foundations, and increased investment in key enterprises.

Touching on the field of distribution and circulation, we have been implementing the policy of legal free circulation, one price policy, and the policy of self-mastery in financial planning. We have shifted step by step from paying salaries with materials to using hard cash and turned banking sectors to engage in businesses. These policies have better facilitated the movement of goods and monetary circulation and distribution and thus contributing to the promotion of production of various economic sectors such the production cooperatives, company partnership, and joint ventures between the state and foreign companies and mobilizing them to participate in economic production. The circulation of goods in different forms has created markets for buying and selling purposes both in the rural and central areas.

At the primary stage, internal markets have been widened and linked step by step with external markets. The shortage of goods including strategic commodities such as grains, iron, cement, fuel oil, and others has been solved fundamentally.

The expansion of trade activities is tantamount to widening internal markets which has turned to trigger monetary circulation. The amount of cash savings with the banks, bank loans, revenues and expenditures of the state are increasing. The budgetary division has inspired localities to search for and make use of all sources of revenue so as to cover their necessary expenses. Some provinces have contributed to the central budget while many other localities put into practice the motto "State and people work together" in mobilizing people to use their work force and capital to implement projects serving the general public.

The expansion of economic production has partially helped to improve the people's living conditions, especially in the goods-producing areas. Although the annual production might be damaged and prices of commodities such food and grains increase, the people in general still live in peace and have not yet faced any too-severe hardships.

C) In the area of the maintenance of peace and order. In early 1988, through combining our struggles in different fronts, we defeated the invasion and occupation of our western territory. We checked the subversive activities of the remaining commandos in some localities. These victories have testified to the spirit of patriotism and determination to defend the country's territorial integrity and to carry out the task of national construction of our people and, at the same time, indicate the rapid growth of our national defense and security forces.

The task of turning to the grassroots has received considerable amount of our attention and registered some achievements in many provinces such as Luang Prabang and Sayaboury. Through carrying out this task, we have strengthened the popular democratic dictatorship at the grass roots, accelerated the production process, improved the tasks of national defense and maintenance of public security, and nurtured and trained ranks of cadres.

Part 5 on 1989 Goals

BK1406121089 Vientiane PASASON in Lao
5 Jun 89 pp 1, 3

[Part 5 of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane on 30 May]

[Text] D) Our party and state have consistently adhered to the foreign policy outlined by the fourth party congress. Maintaining a sense of alertness toward and taking

the initiatives in all developments, firmly guaranteeing our stand, firmly adhering to our declared principles, and applying creative tactics and measures, our party and state have scored great triumphs on the international battle front. Our solidarity and comprehensive cooperation with Vietnam, Cambodia, the Soviet Union, and the other fraternal socialist countries have been further strengthened. The relations between our country and the neighboring countries have been improved. We have expanded our relations with every country on the principled basis of respect for each other's independence, sovereignty, and territorial integrity; noninterference in each other's internal affairs; equality; and mutual benefits. All fraternal and friendly countries and international organizations have continued to render assistance and cooperation to our country in the economic, cultural, scientific, and technical fields. Our domestic and foreign policies have been supported by all comrades and friends throughout the world. The status, role, and influence of our country have been elevated in the international arena with every passing day, thereby creating favorable international environments for our tasks of national defense and national construction.

E) Having carried out activities in various spheres, our cadres and services have gained more experiences and made further progress. In certain business production enterprises, a number of capable and skillful cadres have emerged. Particularly, we have given practical training on mass mobilization and the building of foundations to more than 200 young cadres with university and higher education backgrounds.

Nevertheless, while having scored the afore-mentioned achievements and victories, we have also experienced a number of shortcomings and difficulties—some of which still remain complicated and uncompromising—as follows:

(1) Many facets of our economy remain unbalanced. In the agricultural field, food production is decreasing alarmingly. The granting of the right to land use to farming families in many localities has not been appropriately administered and, in this connection, no attention has been paid to the two-way service system. Our forests have been incessantly destroyed by means of slash-and-burn cultivation, indiscriminate timber exploitation, and forest fires. The recently concluded National Conference on Forestry Work strongly recommended elimination of the above-mentioned practices and pointed out that our forests are in danger of destruction.

Our industrial production is unsteady. Inadequate attention has been paid to handicraft work. The timber processing industry has been developed without any plans and without taking the availability of raw materials and markets into consideration.

The communications, transport, and postal services are not yet thoroughly smooth. Circulation work has also encountered a number of difficulties and confusions.

The policy on free circulation has been exploited. Unregistered business transactions, tax evasion, and smuggling are rampant. Exports are not balanced or linked with imports, thereby adversely affecting production within the country, prices, and markets. The state trading sector has not yet genuinely switched to business accounting nor firmly grasped wholesale trading practices.

Our banking sector has not yet fully applied the business accounting system in its operations. Credit services are unorganized. Overspending continues while the state is still short of cash supply.

No new changes have occurred in the activities of the finance sector. Budget deficits also continue. Many provinces and localities still rely on timber export as a primary source in generating revenues for their respective budgets without even bothering to turn to acquire them from other sources, thus automatically triggering rampant acts of forest destruction on a larger scale. Revenues from tax collection have dropped dramatically. The utilization of various natural resources, factories, equipment, capital, and public property remains considerably extravagant and wasteful.

The living conditions of administrative and technical cadres continue to face difficulties. Efforts to improve the living conditions of people in remote mountainous areas have been carried out at too slow a pace.

(2) Several aspects of the cultural, educational, public health sectors are deteriorating. The [party's] educational strategy has not yet been implemented. Schools and hospitals in many localities in the countryside and in towns have not yet been renovated and reconstructed. The living conditions of school teachers and professors and public health personnel are plagued with numerous difficulties. No attention has been paid to mass cultural development. Negative phenomena have begun to occur in the cultural life of the people living in urban areas. The party and administrative committees at various levels do not seem to pay adequate attention to rectifying this situation. They tend to leave this job to be performed by certain specialized services.

(3) The expansion of our economic relations with foreign countries has been fruitful to a certain extent. But we have not yet made good preparations in many respects to provide facilities to and to attract foreign investors to invest in our country. In some cases, our cadres and people, who lack a sense of vigilance and only think about immediate vested interests, are even exploited by certain bad elements.

(4) The turning to the grass roots has not yet been properly carried out. Except in certain areas where the party Central Committee Secretariat has taken a direct charge in turning to the grass roots, no attention has been paid to carrying out this task in other areas. Activities relating to this task which have been carried out by ministries and central services are mainly limited to

Vientiane Capital, while those carried out by the provinces, city municipalities, and districts are only limited to towns. In short, cadre appear reluctant to carry out this task. The policy of turning to the countryside, mountainous regions, and the grass roots has not yet been realistically implemented. Many plans and policies are implemented only on paper or only at the provincial and district levels, but have not yet been appreciated or implemented at the grass-roots level or even by the people in general.

Generally speaking, after implementing the policy of restructuring over the past more than 1 year, we have managed to inject the party's new attitude and new concept into the life of our nation. Our policy on the implementation of the new economic structure and new mechanisms has begun to produce effects in business production, such as by creating a number of new jobs and new careers as well as some new living patterns for our people, guiding our people in extricating themselves from the pressure of the old mechanisms, and bringing confidence and joy to them. Basically, the situation in our country appears calm and is developing favorably.

Nonetheless, the situation in the socioeconomic sector, especially in the production and national finance spheres, has still been plagued with numerous difficulties. A subjective cause of this development comes from the fact that the starting point of our national economy is too low and that our country has been repeatedly hit by numerous natural calamities. But the primary cause of this development is actually the objective fact that the party's attitude, line, and policies have not yet been profoundly appreciated. More serious still, they are sometimes even misinterpreted or implemented in an erroneous manner. The digestion of the party's line, plans, and policies into detailed plans and regulations is still slowly and incompletely carried out while certain policies still contain some loopholes. The principle of democratic centralism in managing the economy and the state, especially in managing the services in the vertical line of command, has not yet been genuinely abided by, thereby causing more confusion to the already complicated socioeconomic situation. The upgrading of organizational apparatuses has been slowly executed. All this has caused a delay and procrastination to the organizing of the implementation.

2. Overall Tasks and Objectives for 1989

In its seventh plenary session held recently, the party Central Committee defined the overall tasks for 1989 as follows: We must drastically switch to the application of the new mechanisms; vigorously turn to the countryside, the mountainous regions, and the grass roots; fully develop the potentials of our country; and seize all favorable international opportunities with the aim of clearly effecting reforms in the socioeconomic development of our country. We must ensure the national defense and public security maintenance work so as to

make the situation in our country more secure, to effect new changes in a more profound manner, and to create conditions to more firmly enter the year 1990 and the years to come.

To effectively execute the above-mentioned overall tasks, we must concentrate all efforts on fulfilling some objectives as follows: (To be continued in the next issue)

Part 6 on Implementing State Plans
*BK1506074589 Vientiane PASASON in Lao
6 Jun 89 pp 1, 3*

[Part 6 installment of speech by Kaysone Phomvihan, general secretary of the Lao People's Revolutionary Party Central Committee and chairman of the Council of Ministers of the Lao People's Democratic Republic, delivered at the inaugural session of the newly elected Second Supreme People's Assembly in Vientiane on 30 May]

[Text] 1) Turn all state economic and management activities to the grass roots in accordance with the slogan of "Turning to the countryside, going up to the mountainous areas" and concentrate on developing agricultural and forestry work, implementing the family contractual mechanism, and widely coordinating them with the two-way service. In this year's production season, in particular, the climate has changed unusually. Therefore, all localities and branches should review and learn the lessons scored in the past 2 years and make preparations and concentrate all available forces and tools on taking an initiative in preventing and combating possible natural disasters. Party and administrative committees at various levels must take the lead and guide, through concrete actions, the implementation, in detail, of various measures aimed at promoting the production of grain in each locality and throughout the country to meet the expected figures as already put forth, that is to produce 1.3 million metric tons of paddy. Along with the restriction and prevention of the destruction of forests, we must vigorously step up expanding handicrafts and industrial work for processing consumer goods and goods for export to gradually materialize the economic structure in which agriculture, forestry, industry, and service are interrelated.

2) Broaden foreign economic relations—draw and effectively utilize sources of aid funds, loans, and investment from foreign countries so as to boost development of the economy, first and foremost, our country's agriculture and forestry. We must urgently make preparations in all respects to pave the way for investors and to guarantee an ever more effective broadening of economic relations with foreign countries.

3) Completely switch to implementing the new mechanism in all units, rising from the production to the circulation sectors, and in all branches and localities; concentrate on seriously effecting changes in the trade,

banking, and financial systems so that the state can conveniently carry out wholesale trading and money circulation to adjust the markets and strengthen the state multifaceted management.

4) Fulfill the consolidation and arrangements of the apparatus organizational system to make it ever more efficient; attentively increase the strength of the district and grass-roots levels. Along with training and raising the quality of the cadres and improving working procedures, attention must be paid to clearly classifying the roles and responsibilities of the two managements.

All of these are just my assessments of the general situation in 1988 and the basic tasks and objectives for the year 1989. As for details about implementation of the state plan and budget for 1988 and the direction, tasks, plan, and budget for 1989, Comrade Sali Vongkhamsoo, vice chairman of the Council of Ministers will later report them to the Supreme People's Assembly.

Distinguished representatives, comrades, and friends:

Now, let me give some views on the roles, position, and duties of the newly elected SPA. First of all, I would like to talk about the enhancement, promotion, and expansion of democracy in all spheres of social life.

At present, our state is a popular democratic state that is gradually advancing to socialism. We have basically accomplished the national revolutionary tasks after complete liberation of the country. As for the democratic tasks, we have fulfilled only some of them despite the fact that we carried out those tasks throughout the process of national-democratic revolution. It is still necessary to enhance, promote, and expand democracy in all fields of social life.

In the political field, it is necessary to clearly fix and publicize the benefits and obligations of citizens. All citizens maintain genuine democratic rights and the freedom to elect suitable representatives to work for them in the people's representative organization. All citizens have the right to present their views and aspirations on various issues in social life in their respective localities and units as well as throughout the country. Before decisions are made on important issues in the units and localities as well as throughout the country, the issues must be publicized so that the people can discuss and contribute views to them. Administrations at various levels must also respect the views given by the people. All Lao citizens have an equal right to perform tasks in accordance with the laws. No organization or individual is allowed to illegally arrest or detain the people.

In the economic field, efforts must be made to enable everyone to achieve labor capability, to be employed, and to earn an income in accordance with the laws. Based on the state laws, everyone maintains the right to organize production business. For those who live in

difficult, remote areas, the state should assist them and provide facilities for them to expand their production and improve their living conditions. Laboring people and collectives also maintain the right to self-mastery in carrying out production business activities. For example, they maintain the right to work out plans, put forth economic targets, fix labor, and distribute their products. The people's right of ownership over property must be acknowledged and protected by the laws.

In the ideological and spiritual field, it is necessary to raise, step by step, the level of cultural understanding, the level of political awareness, and the level of the line of thinking of the people. In this regard, special attention must be attached to areas where ethnic minority people have lived. The people must be enabled to learn facts and to take part in discussions and practices. They must also be encouraged to join in controlling the implementation of various state socioeconomic plans (except for those which are considered secret).

The people maintain rights to freely view and present their ideas to organizing committees or responsible organizations at various levels. They must not be threatened or suppressed if their views are not correct. Efforts must be made to create a social atmosphere of equality and straightforwardness and to do away with all unjust practices and all divisive acts regarding religions, tribes, socioeconomic sectors, origins, and so forth.

The problem of enhancing, promoting, and expanding democracy in our society is considered to be a very serious problem. This is because our people have just been freed from the feudal and colonial systems and they are not yet familiar with the democratic system, while at the same time, their cultural understanding is still at a low level. In view of this, democracy is considered to be an urgent requirement of our people. It is also required for the development of our society. Nevertheless, we should not expect to achieve democracy immediately. To reach that goal, it is necessary to raise the level of people's understanding and enhance, promote, and expand step-by-step democracy in carrying out state and socioeconomic management. Through actual practice, everyone will systematically maintain the sense of mastery and experience, and become acquainted with self-mastery. It is necessary to struggle to eliminate the bureaucracy, the conservative line of thinking, the delays in working, and the practice of defensive strategy among the masses. It is also necessary to do away with the free practice of not respecting regulations and discipline, all undemocratic ideas, and the idea of wanting to separate rights from obligations and benefits from responsibilities. In addition, it is necessary to remove various obstacles in the ideological and psychological sector, such as the idea of being the lone chieftain, the idea of divided classes, and the idea of having trustees.

State organizations must take measures to obstruct various negative practices in the ranks of cadres and state employees. They must strictly punish those who violate

the rights of citizens. Those organizations—which work in close contact with the people—must provide conveniences for the people and serve them in certain fields, such as trading, traveling, and medical care. Those organizations in charge of goods, money, management of business production registration, and tax and duties must take action to discharge ill-intentioned persons, such as those who practice corruption, who take possession of state property, who threaten people, or who collude with other ill-intentioned groups in violating state regulations and laws.

Part 7 on SPA's Tasks

BK1606063389 Vientiane PASASON in Lao
7 Jun 89 pp 1, 3-4

[Part 7 and last installment of speech by Kaysone Phomvihan, general secretary of Lao People's Revolutionary Party Central Committee and chairman of Council of Ministers of Lao People's Democratic Republic, delivered at inaugural session of newly elected Second Supreme People's Assembly in Vientiane on 30 May]

[Text] Democracy must be accompanied with discipline and linked to the party's leadership. If we lack strict discipline and fail to strictly abide by laws, we cannot have genuine democracy and cannot guarantee the socio-political interests of our citizens. Democracy can be further promoted and developed only when a sense of maintaining strict discipline and the spirit of mastership as well as a sense of responsibility toward the national interests and the interests of the laboring people are constantly heightened.

In the process of further enhancing and developing democracy, we must struggle against and try to eliminate any acts violating the people's right to mastership, any trends of promoting democracy only in form, and any democratic practices which go beyond limits. We must maintain a sense of vigilance to resist any forces that may take advantage of our attempts in promoting and developing democracy and try to undermine our regime.

5) To establish, improve, and upgrade the legal system step by step—To safeguard the people's democratic rights, it is necessary that we establish a legal system consisting of only the genuine laws of the organizations in the new society, which constitute a sacred code covering all aspects of our social life—be it in the political, economic, cultural, social, national defense, and public security maintenance fields—as well as covering the relationship between the state and people, between members of society, between the individuals and the collectivization, and between organizations under the same popular democratic system. The legal system must be consistently consolidated, upgraded, and respected, for it is the most important factor in the strengthening of our state. Crime, injustice, and acts in violation of other people's rights will emerge without the

laws or without strict law enforcement, thus leading to the destruction of social order and to the emergence of the individualistic doctrine in which democracy does not exist.

At present, we still do not possess a complete legal system. Some of our existing legal regulations are also obsolete and have not yet been amended or abrogated. The enactment of laws in our country has been carried out without a definite plan. Therefore, the primary and difficult task of this Assembly is to create and promulgate the constitution and other laws.

The constitution is the basic state law that transforms the party's line into details. The constitution will record the great achievements scored in the revolutionary struggle carried out by the Lao people in the past several decades. It will define the fundamental rights of the country [as published], the true nature of the state, the path for socioeconomic construction in the new period of the revolution, the rights and obligations of citizens, the organizations of the state mechanism, and so forth.

While building the constitution, we must have a plan to enact, improve, and amend various laws and decrees so as to organize and to manage activities in various domains of our society—such as the laws on economic management, the law on land distribution, the labor law, the law on finance work, the law on domestic investment, the law on establishing trading firms, the law on exploitation of natural resources and protection of the environment, the criminal law, the law on the management of national defense and public security work, and the law on safeguarding the people's democratic rights and freedom.

The gradual establishment and consolidation of the legal system must be carried out in a thorough manner and with a definite objective. Careful consideration must be taken into account to ensure that the system is linked to our duties in carrying out socioeconomic construction and national defense and public security maintenance work in each period. The establishment and consolidation of the legal system must be conducted on a truly scientific and realistic basis in accordance with the new concept; under the leadership of the party, the initiative of the SPA, and the firm control and supervision of the Council of Ministers; and with an extensive survey of public opinion.

6) To uphold the effectiveness of the activities of the SPA—The primary task of this SPA is to construct the constitution. After the constitution becomes effective, an election will be held to elect an organization that will act as the people's new supreme representative. Then, this SPA will cease its activities.

Because this SPA is a body in charge of constructing the constitution, it has so far not discussed an issue regarding the election of the president of the state and the

chairman of the Council of Ministers. This issue will be suspended for now and will be dealt with after the promulgation of the constitution.

In addition to constructing the constitution and enacting other laws, this SPA must also maintain the working system it has followed before, such as hearing reports presented by the Council of Ministers and expressing views on the implementation of state plans and the administration of state budgets as well as other state affairs.

This SPA will elect the SPA Standing Committee, various standing commissions, and the Constitution Drafting Commission. The Constitution Drafting Commission will be dissolved after the SPA has officially promulgated the constitution.

Because of its immense responsibilities, the SPA must carry out its activities in an acute and creative manner in promoting democracy and must act as a symbol of perseverance and the aspirations of the people so as to honorably contribute to increasing the effectiveness of the state management. A new change must be brought into the activities of the SPA, the SPA Standing Committee, the various standing commissions, and all SPA members.

Each session of the SPA always has its own significance. The SPA's sessions that are well-organized with constructive substance will decisively contribute to increasing the effectiveness of the activities of the SPA. Democratic practice must be guaranteed, and solutions to various problems in each session must be publicized. The representatives and people should be informed in advance of contents of the agenda so that the representatives can collect views, under various forms, from the people on the issues to be discussed and decided by the session. In the session, freedom of thinking and presenting of views must be promoted; sufficient time must be given to the representatives to scrupulously and thoroughly debate and exchange views on contents of various issues before passing resolutions on them.

In carrying out activities, the representatives must, first of all, take into account the interests of the entire country. At the same time, they must also pay considerable attention to the interests of localities from where they are elected as well as the interests of working units to which they are attached. Through this principle, the representatives can view their jobs and perform them in an appropriate way, thus connecting their responsibility over the entire country and their responsibility over the localities from where they are elected, distinguishing the interests of the entire country from the interests of the localities, and placing the national interests over the local interests in presenting views or making decisions on various issues raised for discussions in the SPA session.

The representatives are elected by the people to work on their behalf in taking part in managing the state, and not just to achieve dignity, position, or power. Different measures should be used to raise the spirit of responsibility of the representatives and to increase the people's roles in controlling and following up activities of their representatives. The representatives serve as a bridge linking the masses who elect them and the administrations at various levels. Therefore, it is necessary to set up, through activities and close contacts between the representatives and the electors, close relations between the electors and the organizations elected by the people. These relations can enable the representatives to firmly grasp the line of thinking, aspirations, and creative views of the electors so as to take them into consideration and put into specific detail before submitting them to the higher echelons, with a view to contributing to systematically building and perfecting plans and policies. Simultaneously, the representatives must give explanations to resolve various doubts of the people by themselves or through publication. They must also actively implement various new plans and policies of the party and state. They must settle the situation of which it is said that after being elected, representatives concentrate on doing only specialized tasks and pay less attention or even no attention to duties of representatives by failing to regularly and heartily attend various sessions of the SPA and refusing to receive the people, as a result of which the representatives fail to grasp the views and aspirations of the people. Representatives must act as an example in implementing the line and policies of the party and laws of the state. At the same time, the SPA must adopt plans to train the representatives to help them maintain understanding on the general situation and overall duties, knowledge about the state management and about laws now in effect, as well as lessons on working performance of the representatives themselves. Time must be allotted for the representatives to go to localities to associate with electors and to get acquainted with situations of production and living conditions of the people in each grass roots, locality, and ethnic minority area.

These are some of my views raised for the SPA to study and discuss, and then the SPA must make decisions on its organizational system so as to effectively carry out activities.

On behalf of the party Central Committee and the Council of Ministers, I wish this inaugural session of the newly elected SPA be crowned with glorious success. I wish all SPA representatives good health and glorious success in performing the significant duties entrusted by the nation and people.

I would like to express thanks to diplomats and distinguished guests for attending the opening ceremony of the inaugural session of the newly elected SPA.

Philippines

Officials Check U.S. Base for Nuclear Weapons

HK2006030789 Manila PHILIPPINE DAILY GLOBE in English 20 Jun 89 p 6

[Text] Clark Air Base, Pampanga—Following orders from AFP [Armed Forces of the Philippines] chief of staff Gen. Renato de Villa, Filipino base officials yesterday conducted an inspection tour of the installation's "sensitive areas," to check on the reported storage of nuclear weapons at the U.S. bases here.

Clark Air Base Command [Cabcom] spokesman Lt. Col. Diosdado Pili said the Filipino contingent—composed of deputy base commander Demetrio Camua, Cabcom chief of staff Lt. Col. Ildefonso Dulinayan and operations chief Lt. Col. Romy Benedicto—was accompanied by Maj. Gen. Donald Snyder, commander of the 13th U.S. Air Force stationed at Clark.

The tour was in response to an order issued by De Villa for base authorities to check on the reported storage of nuclear weapons at U.S. military facilities in the country. De Villa's instructions followed reports that the Soviet Union has intercontinental ballistic missiles aimed at the U.S. installations.

Details of the tour were not immediately available, but Pili said he was confident that U.S. officials at Clark would not deny them access to areas they deemed necessary within the base.

U.S. officials have so far kept mum on the presence of nuclear weapons in the country, giving neither confirmation nor denial.

In a related development, Filipino troops deployed around Clark were augmented recently by a fresh batch of soldiers from the 69th Army Infantry Battalion.

Murder Charges Filed on Suspect in Rowe Case

HK1906123289 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 19 Jun 89

[From "GMA News" program]

[Text] Murder and attempted murder charges were filed by the military against Donato Contente, a staff member of the PHILIPPINE COLLEGIAN, in connection with the assassination of U.S. Army Colonel James Rowe.

According to Philippine Constabulary chief Major General Ramon Montano, Donato Contente, alias Comrade Donut and Comrade Danny, is a member of the political assassination team of the CPP-NPA [Communist Party of the Philippines-New People's Army]. He was arrested in front of Vinzons Hall at the University of the Philippines, Diliman, last Friday [16 June].

However, Continente insisted that he was only a member of the surveillance team posted outside the JUSMAG [Joint U.S. Military Advisory Group] headquarters shortly before the killing of Rowe.

Meanwhile, Gen Montano also revealed that another suspect in the killing of the U.S. colonel last 21 April is in military hands. He also admitted that Continente is presently in the custody of the Criminal Investigations Service.

Continente claimed that the political assassination team was newly established and its task was to monitor the activities of foreigners, diplomats, and suspected CIA agents.

[Begin recording] [Unidentified man] What is the mission of the squad?

[Continente] The surveillance of foreigners involved in the counterinsurgency drive and members of the diplomatic corps. [end recording]

Student Activists in Hiding

HK2006054789 Manila THE MANILA CHRONICLE
in English 20 Jun 89 pp 1, 6

[By Dario Agnote, Ayn Lores, and Noli Cabantug]

[Text] A number of student activists at the University of the Philippines [UP] in Diliman have gone into hiding for fear of being caught in a possible crackdown that would follow the arrest of a member of the academic community linked to the killing of U.S. Army Col. James "Nick" Rowe, the military said yesterday.

Among those already in hiding and wanted by the PC [Philippine Constabulary] Criminal Investigation Service (CIS) were Jershun Manlinong, a Philippine Studies student; Freddie Abella, a Social Work and Community Development student; and Francisco Belmonte, a first year law student on leave.

The three were among the six persons linked by Donato Continente, 27, who was arrested last Saturday inside the UP campus, to the Rowe slaying. The others are Thadeus Abulencia of Amparo Subd., Novaliches, Caloocan City and Raymund Navarro and Emer C. Paterno, addresses still unknown.

The military has filed charges of murder and frustrated murder against the seven suspects before the office of Quezon City prosecutor Juarlito Galisanao.

The charge sheet cited Manlinong as the alleged gunman and Belmonte as the driver of the getaway car.

However, Galisanao was likely not to accept the charge sheet due to the absence of the lawyer of Continente and another vital state witness.

Charges against the seven suspects were filed after three of the suspects who turned state witnesses implicated those charged as either direct participants of the Rowe ambush or having knowledge of the plot to kill Rowe.

Based on the complaint sheet, the CIS claimed that a college student working in Jusmag [Joint U.S. Military Advisory Group] identified Continente as among the men who frequented the vicinity of Jusmag compound several days before the ambush.

The student witness, who was also placed under military custody, likewise identified Abella through mug shots furnished by the CIS as among the companions of Continente. Abella is believed to be a member of the National Partisan Unit of the NPA [New People's Army].

According to the CIS, a confessed member of the Alex Boncayao Brigade hit team who turned government witness is expected to identify Belmonte, Manlinong, and Continente as among those who ambushed Rowe.

Meanwhile, UP student council chairman Gonzalo "Bong" Bongolan told CHRONICLE that he fears Continente's arrest could be a prelude to a possible massive military crackdown in the university.

Milke Defensor, acting chairman of the National Union of Students of the Philippines (NUSP) and UP Student Council vice chairman, deplored the way CIS agents manhandled Continente when they arrested him at UP's Vinzons Hall.

A Collegian staffer who declined to be named told the CHRONICLE that Continente looked "sedate" when visited Sunday night at the CIS office in Camp Crame.

UP president Jose Abueva said the arrest of Continente could be a "violation of an agreement between the military and the University president." He said he had asked Defense Undersecretary Leo Quisumbing for an explanation.

Abueva said the agreement, reportedly reached in 1969, and later revised in October 1981 by then AFP [Armed Forces of the Philippines] vice chief of staff Fidel V. Ramos provides that military personnel are not allowed to enter the campus without prior knowledge of the UP president.

"This CIS group came in without even informing me," Abueva said in telephone interview with the CHRONICLE. "It is essential to our academic mission to be free from intrusion from the police," he added.

Abueva declined to comment on the linking of the three students to the Rowe killing, adding that he has not yet received any information from the CIS naming the three as suspects.

Meanwhile, Commission on Human Rights chairman Mary Concepcion Bautista yesterday ordered the chief of legal division, lawyer Mario Catelo, to investigate the Contidente case.

"I want to know the steps the military have taken so the commission can have a hearing on the case," Bautista told the chronicle.

Resumption of Beijing Flights Not Recommended
HK2006052189 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 20 Jun 89

[Text] The Department of Foreign Affairs will not yet recommend the resumption of PAL [Philippine Air Lines] flights to Beijing, while the Philippine Embassy reports that tension has eased considerably in China. Under Secretary Manuel Yan said it was too early to tell if the situation will remain that way.

[Begin Yan recording] We cannot advise that at this stage because we are still monitoring the situation. We don't know how long this period of quiet will last. [end recording]

Official Says Travel Ban Stands
HK2006052589 Quezon City Radyo Ng Bayan in Tagalog 0500 GMT 20 Jun 89

[Text] Filipinos are still banned from traveling to China even though normalcy has returned to Beijing. This was announced by Acting Foreign Affairs Secretary Manuel Yan.

Yan said that according to a report by the country's ambassador to China, it is still uncertain whether the situation in China will remain normal. He explained that the travel ban to China may be lifted if it is so recommended by Philippine Ambassador to China Pablo Suarez.

Aquino Speaks on Charges Against Marcos Children
HK1906121489 Quezon City Sports Radio 738 in English 1100 GMT 19 Jun 89

[Report by Sel Baisa, Philippine Broadcasting Service News, Malacanang]

[Text] In Malacanang, President Aquino said that the dropping of civil suits on the children of Mr Marcos was brought about by the lack of enough evidence against them. Sel Baisa reports:

[Begin recording] Speaking during the regular mini-press conference at Malacanang, President Aquino explained that the Presidential Commission on Good Government or PCGG has not found enough evidence to warrant the filing of charges against Marcos' children. The former Philippine strongman has three children, namely: Imee Manotoc, Irene Araneta, and Ferdinand Marcos Jr.

At the same time, Mrs Aquino said the government is still awaiting the Marcos' representative or representatives who will speak for them for a possible negotiation.

On Marcos' wife Imelda and children, Press Secretary Adolf Azcuna, on the other hand, said that criminal suits are likely to be extended against the former president's heirs in the event he dies. [end recording]

Aquino Seeks \$1 Million in Investment From FRG
HK2006031989 Manila Far East Broadcasting Company in English 2300 GMT 19 Jun 89

[Text] President Aquino is eyeing a \$1-million German investment as she goes on a state visit to the Federal Republic of Germany on July 9 to 11. The president's trip will coincide with a milestone in the FRG's history—the 40th anniversary of the promulgation of its Constitution. This will be the first time a Philippine president will be received by the FRG. Press Secretary Adolfo Azcuna said that Mrs Aquino's goal for her trip is to court at least \$1 million in investments from West Germany alone for 1989 to 1991.

Envoy to Moscow Fired at Manglapus' Suggestion
HK2006053389 Baguio City Mountain Province Broadcasting Company in English 0330 GMT 20 Jun 89

[Text] An official of the Department of Foreign Affairs [DFA] said President Aquino fired former Ambassador to Moscow Alejandro Melchor upon the recommendation of Foreign Affairs Secretary Raul Manglapus. DFA Under Secretary Manuel Yan told reporters that Manglapus made the recommendation. At the same time, he told the president that DFA was dropping charges it had made against Melchor in February.

Yan said Melchor's services were terminated in the interest of the foreign service and added that the DFA will take action if he does not vacate his post.

[Begin Yan recording in progress] ...in support of the same line. And secondly, to notify the government of the host country about the termination of his services. [end recording]

Students Plan 21 June Strike Over Tuition Fees
HK2006032589 Manila Far East Broadcasting Company in English 2300 GMT 19 Jun 89

[Text] The Welgang Estudiante [Students Strike] pushes through tomorrow, but Secretary General of the National Union of Students of the Philippines [NUSP] Jonas Ruga said that the general strike will be called off after tomorrow if the Department of Education grants their demand for a rollback of tuition increases. He said the NUSP has already received a commitment from students of the Far Eastern University, [words indistinct], Central Colleges of the Philippines, National College of Business and Arts, Saint Scholastica's College,

Adamson University, University of the East, University of the Philippines, Lyceum of the Philippines, and San Sebastian College that they will join the protest action.

In the provinces the NUSP heads said 6 schools in Baguio City, 2 in Angeles City, 10 in Southern Tagalog, and several major schools in the cities of Zamboanga, Davao, General Santos, Cotabato, Cebu, and Tacloban [words indistinct] have also pledged to support the students' strike. Ruga said the campus-based protest actions are scheduled for the morning. A rally in front of the Department of Education's central office is planned for the afternoon.

Islamic Group Rejects Mindanao Autonomy Bill
HK2006033989 Manila Far East Broadcasting Company in English 2300 GMT 19 Jun 89

[Text] The Islamic Conference Organization [ICO] has told the Philippines that a draft law creating an autonomous region for Muslims is unacceptable. ICO Secretary General Hamid al-Gahmid met Philippine Foreign Minister [title as heard] Raul Manglapus in Jeddah to discuss the plan to grant Muslims self-rule in Mindanao. In a statement, Al-Gahmid said Manila must resume a dialogue with the Moro National Liberation Front [MNLF]. He said the bill passed by Congress in April and due to be signed into law soon by President Aquino fails to recognize the MNLF as the official representative of the muslims. The MNLF has said it would reject any autonomy law it had not helped to draft.

Special Barangay Polls Held in Spratly Island
HK1906124689 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 19 Jun 89

[From "GMA News" program]

[Text] Special Barangay elections were finally held in Pag-asa Island of the Spratly Islands group. A GMA news team headed by Jessica Soho was present to cover the event. Here is her report.

[Begin recording] [Soho] Our Nomad plane left Puerto Princesa bound for Pag-asa Island at 0900 yesterday morning. With us were Brigadier General Napoleon Angeles, Western Command chief, and Commission on Elections [Comelec] personnel who were to supervise the holding of special barangay elections there. After more than 2 hours, we saw Pag-asa Island and were greeted by Mayor Alejandro Rodriguez, mayor of Kalayaan which comprises Pag-asa Island.

Finally, the barangay elections were held in Pag-asa Island of Kalayaan, formerly known as the Spratly Islands. Pag-asa Island is one of the most remote towns in the Philippines.

General Angeles and Mayor Rodriguez were among the first voters. The island has 147 registered voters but only 85 of them cast their ballots. Half of these are fisherman and the other half, soldiers assigned to guard the island.

According to Dina Fernandez, designated elections registrar of Pag-asa, the other voters are probably still out to sea and could not come back in time to cast their votes.

[Fernandez] The others probably could not come because they are still out to sea.

[Soho] A Muslim fisherman, Alawit Tulawi, won the elections.

According to former election registrar Ching Reynoso, the Comelec has been conducting elections in Pag-asa and other parts of the Kalayaan group of islands occupied by the Philippines. In his opinion, no expense should be spared to enable the Filipinos there to take part in the elections.

[Reynoso] This is one way to prove that the Kalayaan Islands really come under Philippine jurisdiction.

[Soho] According to Wescom chief Brigadier General Napoleon Angeles, the holding of elections there reflects the government's determination to uphold the rights of Filipinos in these islands which are also being claimed by other countries such as China, Taiwan, Vietnam, and Malaysia.

[Angeles in English] I think our government should fully support our concept here of strategic presence, of supporting our people so that we can manifest effective occupancy and effective administration, just as happened today when a barangay election here in Pag-asa was conducted.

[Soho] The election was completed at around 1400 in the afternoon and at 1500 we left for Puerto Princesa, but not before leaving a small memento in Pag-asa Island.

We arrived at Puerto Princesa safely and joked with each other that finally we did make it to Pag-asa. In a way, it was a reunion because our companions on the trip were the same ones we traveled with in a previous attempt to go to Pag-asa, including the pilot, Lieutenant Jerry Custodio.

On behalf of cameramen Ric Villegas and Freddie Rosal, this is Jessica Soho, GMA News, Palawan. [end recording]

Vietnam**National Assembly Opens Fifth Session****Vu Mao Previews Session**

*BK1706084489 Hong Kong AFP in English 0826 GMT
17 Jun 89*

[Text] Hanoi, June 17 (AFP)—Vietnam's National Assembly convenes on Monday for a two-week session expected to hear detailed reports on the country's budget problems as well as its plans for a total troop withdrawal from Cambodia.

The session—the longest since the 500 deputies were elected in April 1987—is expected to debate several amendments to the Constitution and reforms to trade-union legislation adopted in 1957, which is now seen as outdated.

Vu Mao, director of the National Assembly Office, discounted speculation that a government reshuffle would follow the session, which ends June 30.

"There will be no change. The Assembly will merely ratify the ministerial changes made in recent months," he told a news conference.

In two reshuffles since the Assembly's December session, Phan Van Khai, mayor of Ho Chi Minh city (formerly Saigon), was appointed chairman of the State Planning committee.

He replaced Dau Ngoc Xuan, who was shifted to the state commission overseeing foreign investments and external cooperation, while Cao Sy Kiem, party secretary in Thai Binh Province, was named to head the central bank.

Mr Mao said several ministers would address the deputies, including Foreign Minister Nguyen Co Thach, who is to assess Vietnam's foreign policy over the past six months when he returns from a European tour.

Vietnamese military sources said preparations were under way to bring back the some 50,000 soldiers still in Cambodia and that June and July would be "totally devoted" to these preparations.

Soldiers were expected to leave Cambodia mainly across the land border, while heavy equipment and artillery would be brought home via the waterways, the sources said.

Vietnamese troops invaded Cambodia in December 1978 to oust the pro-Chinese Khmer Rouge, who were held responsible for the deaths of hundreds of thousands of Cambodians during their four-year rule.

The Vietnamese installed a pro-Hanoi government in Phnom Penh, which is headed by Prime Minister Hun Sen, 39.

The National Assembly is to devote considerable attention to economic issues, with reports scheduled from Finance Minister Hoang Quy. Both Mr Quy and Agriculture Minister Nguyen Cong Tan have heard calls for their resignation from the population in the South.

Mr Quy, a party Central Committee member, is to personally present the budget report—an indication that he is not likely to lose his post despite the fact that the economy is virtually in ruins, analysts said.

Public enterprises alone owed more than 100 billion dong (25 million dollars) in back salaries in June.

Mr Mao said the Assembly would prepare a new law on trade unions to update the 1957 legislation which "requires adaptation to the new situation."

Deputies are also expected to pass a law on public health debated in the last session and to take up proposed amendments to the 1981 Constitution regarding local and regional assembly elections.

Officials Give Reports

*BK1906140789 Hanoi Domestic Service in Vietnamese
1100 GMT 19 Jun 89*

[Report on the opening of the Fifth Session of the Eighth National Assembly at the Ba Dinh Conference Hall in Hanoi on the morning of 19 June]

[Text] The Fifth Session of the Eighth National Assembly was solemnly opened this morning at the Ba Dinh Conference Hall in Hanoi. Attending the opening meeting were Comrades Nguyen Van Linh, general secretary of the party Central Committee; Vo Chi Cong, chairman of the Council of State; Do Muoi, chairman of the Council of Ministers; and Pham Van Dong, adviser to the party Central Committee. Also present were foreign guests and diplomatic missions in Hanoi. Participating in the session's Presidium were Comrades Le Quang Dao, Hoang Truong Minh, Tran Do, Phung Van Tuu, Nguyen Thi Ngoc Phuong, and Huynh Cuong.

The Fifth Session of the Eighth National Assembly began at 0800. Comrade Le Quang Dao, chairman of the National Assembly, read the opening speech:

[Begin recording] National Assembly Deputies: At this session, in light of the Communist Party of Vietnam Central Committee's Sixth Plenum resolution, the National Assembly will hold debates on the Council of Ministers' reports on the socioeconomic situation, the situation of implementation of the state budget, and the money circulation situation in the first 6 months of 1989, and the Supreme People's Court and the Chief Procurator's reports on the work of these two branches.

The National Assembly will adopt the Draft Law on Revisions of and Amendments to the Law on the Election of People's Council Deputies, the Law on the Organization of People's Councils and People's Committees, and the Law on the Protection of Public Health. The National Assembly will give its views on various draft revisions of and amendments to some articles of the 1980 Constitution, the Law on Trade Unions, and the project for renovating our country's tax system, and will decide on redelineation of the boundaries of Nghia Binh, Phu Khanh, and Binh Tri Thien Provinces. At this session, the National Assembly will also hear the Ministry of Foreign Affairs report on our state's external relations activities in the first 6 months of 1989, and the Ministry of National Defense report on the Vietnamese Army volunteers completion of their noble international duty and their withdrawal home by the end of this September. The National Assembly will issue a resolution on the grand celebration of President Ho Chi Minh's birth centenary and decide on a number of other important issues. [end recording]

Speaking next, Comrade Phan Van Khai, chairman of the State Planning Commission, presented on behalf of the Council of Ministers a report on the situation of implementation of the socioeconomic plan for the first 6 months of 1989 and on measures aimed at stepping up the implementation of the 1989 plan in the second half of the year. The report raised a number of noteworthy issues in the implementation of economic tasks in the first 6 months of 1989. Grain and food production has continued to develop, with the nationwide winter-spring grain output estimated to be in excess of 8 million metric tons, including more than 7 million metric tons of paddy, a slight increase over the winter-spring crop last year. The southern provinces have reported increases in all three aspects of area, yields, and production volume. In industry, the new management mechanism has given the grass-roots units the right to take the initiative and be responsible for formulation of their own production plans, and to link production with the market. Due to this, they have achieved initial success in mobilizing the potentials of the various economic sectors to develop production and construction, thereby creating more jobs for hundreds of thousands of workers.

Fresh progress has been made in external economic relations. The annual plan for export volume was fulfilled by 44 percent, an increase of 28 percent over the corresponding period last year. As for market control, price pressure has eased somewhat, goods supplies have become more abundant and varied, the prices of grain and foodstuffs have stopped increasing or have dropped, price differentials between areas and localities have been reduced, and the purchasing power of the currency has begun to be restored gradually.

With regard to the state's managerial and regulatory work, Comrade Phan Van Khai's report pointed to the progress and experience gained in institutionalizing the

incentive policies applied to the various economic sectors, the policies on agriculture, grain trade, and granting autonomy to the grass-roots units; and in handling the various policies of using prices, exchange rates, bank interest rates, and gold and foreign currency trading as economic levers in conformity with the multisectorial system of commodity production.

However, these results were just initial ones and not yet steady. The report also clearly pointed out the salient difficulties, namely capital and job shortages. The capital shortage was a consequence of the rising prices of materials, excessive hastiness in capital recovery, the backlog of products, and fairly prevalent payments delinquency and misuse of capital. The backlog of products itself was a result of the capital and cash shortages, which reduced purchasing power; the failure of producers to maintain close contact with the market; and the failure to resolve the problem of a customs tariff barrier. As for education and social welfare, the lack of funds has affected the quality of education and health care. The management of publication work, the press, and the showing of videocassettes has remained loose.

Evaluating the general socioeconomic situation in the past 6 months, Comrade Phan Van Khai explained:

[Begin recording] Dear comrade National Assembly deputies: Quick progress has been recorded in the implementation of socioeconomic tasks in the past 6 months. Positive and favorable changes have been made. At the same time, new difficulties have surfaced. Recent developments have testified to the need to seek ways to abolish the system of state subsidization, curb inflation, shift to business accountability, and develop the multisectoral commodity economy. Very great difficulties still lie ahead. Continued efforts are needed to urgently and effectively resolve issues related to national budget, capital provision for production and business operations, prices, product consumption, and jobs for the laboring people. This way, conditions will exist for higher production output, smooth materials and goods circulation, and effective application of the new mechanism. We are determined not to go back to the old mechanism just because we have to face short-term difficulties. [end recording]

The second part of the report deals with the key tasks for the last 6 months of the year. The following is a list of the immediate measures mentioned in the report:

It is necessary to promptly settle debt servicing between the central and local echelons as well as between the various sectors and production and business units themselves. The Ministry of Finance will issue concrete regulations governing the payment of export products in accordance with Decision No 43 of the chairman of the Council of Ministers concerning abolition of the internal exchange rates so as to quickly collect and include in the state budget most of the values of imported materials, goods, and equipment, especially the values of import

surplus and loans. Continued efforts are needed to work toward the application of a one-tier pricing system to the whole of the national economy.

The banking service must work out effective ways to attract deposits of the various economic organizations and the idle money among the people in order to have sufficient funds for making loans.

Regarding prices and product consumption, it is the duty of the various enterprises to look for consumers and to conduct market research in order to promote product consumption. As for a number of goods that bear very high production costs or do not appeal to consumers, bold measures must be taken to lower their prices. The losses resulting from the new selling prices must be made up by gains from subsequent lots of merchandise.

Part of the state budget must be set aside to create jobs for the unemployed and to guarantee sufficient money for wage payments.

In the last part of his report, Comrade Phan Van Khai pointed out:

[Begin recording] Dear National Assembly deputies, the party Central Committee Sixth Plenum resolution has reviewed the achievements of 2 years of implementing the sixth party congress resolution and set forth very important points and measures aimed at vigorously implementing the process of renovation and socialist democratization in our country. The party Central Committee Sixth Plenum resolution also laid down the trends and tasks aimed at resolving the difficulties now facing our country. To this end, it is necessary to systematically develop the commodity economy, try by all means to liberate production forces, bring into full play the potentials of all economic sectors, continue renovating the management mechanism, abolish the system of state subsidization, and shift to socialist business accountability.

The party Central Committee sixth plenum resolution further consolidated confidence in victory for each of us. With lessons that we have drawn from reality and have paid for over the past many years, with the correct lines and policies of the party and state which are going down into life and stirring up the great spiritual and material potentials in all strata of the people, and with the National Assembly's unanimous agreement on assessing the situation in the first half of the year, we should discover correct measures to overcome the current sluggish and dire straits, and we will certainly implement the 1989 state plan victoriously, creating favorable conditions for entering 1990, the year in which our people and the world commemorate great Uncle Ho's 100th birthday, the year with many important events in our country's political life. [applause] [end recording]

Following Comrade Phan Van Khai's report, Comrade Doan Khue, first vice defense minister, reported on the Vietnamese Army volunteers' return home from Cambodia after fulfilling their noble international duty. After pointing out the efforts, great sacrifices, and results achieved by the Vietnamese Army volunteers, Comrade Doan Khue said:

[Begin recording] In view of the armed exploits and great achievements scored by the Vietnamese Army volunteers and experts in Cambodia over the past 11 years or so of combat and work to help our friends, the Council of Ministers recommends that the National Assembly cite the merits of Vietnamese Army volunteers and experts, of the families with relatives who took part in combat and work with the Vietnamese Army volunteers and experts in Cambodia, and of all the localities, agencies, sectors, mass organizations and the Vietnamese people as a whole for having assisted the Vietnamese Army volunteers in fulfilling their international duty in Cambodia. It is recommended that the Council of State award a second Gold Star Order to the Vietnamese Army volunteers. [applause] [end recording]

Dear friends: At the opening session, the National Assembly heard Comrade Nguyen Thi Than, head of the National Assembly Public Health and Social Welfare Committee, read a report of the National Assembly Public Health and Social Welfare Committee and the Council of Ministers Drafting Committee on the revised bill on protection of the people's health after having studied and collected the views of all the people, echelons, sectors, and mass organizations.

Then, Comrade Nguyen Van Tu, chairman of the Vietnam Workers Union Confederation, reported on the Trade Union Law bill, and Comrade Nguyen Van Duc, vice chairman of the Legal Committee, delivered a reviewing report on this bill. Comrade Hoang Quy, finance minister, reported on the state budget for the first half of 1989; Comrade Cao Si Kiem, general director of the State Bank, reported on the circulation of currency; and Comrade Nguyen Khanh, vice chairman of the Council of Ministers, read a bill submitted to the National Assembly for adjustment of the boundaries of Binh Tri Thien, Nghia Binh, and Phu Khanh.

The National Assembly continued its plenary session this afternoon in the Ba Dinh Conference Hall. The deputies heard Comrade Pham Hung, chief judge of the Supreme People's Court, and Comrade Pham Quyet, chief procurator of the Supreme People's Organ of Control, report on the two sectors' tasks in serving socioeconomic management, and Comrade Dinh Nho Liem, first vice foreign minister, report on our state's foreign affairs in the first half of 1989.

Tomorrow, the National Assembly deputies will continue to work in the Ba Dinh Conference Hall.

19 June Session Summed Up

*BK1906151289 Hanoi Domestic Service in Vietnamese
1430 GMT 19 Jun 89*

[Text] On the morning of 19 June morning, the fifth session of the Eighth SRV National Assembly opened in the Ba Dinh Conference Hall under the chairmanship of National Assembly President Le Quang Dao.

Attending the session were Comrades Nguyen Van Linh, party Central Committee general secretary; Vo Chi Cong, Political Bureau member and chairman of the Council of State; Do Muoi, Political Bureau member and chairman of the Council of Ministers; Pham Van Dong, adviser to the Communist Party of Vietnam Central Committee; and many other comrade leaders of the party and state.

Also on hand were members of the diplomatic corps and representatives of international organizations.

Following the opening address by Chairman Le Quang Dao, the National Assembly heard Comrade Phan Van Khai, head of the State Planning Commission on behalf of the Council of Ministers, report on the socioeconomic situation in the first half of the year and on the measures aimed at accelerating the implementation of 1989 Plan in the second half of the year; Senior Lieutenant General Doan Khue, vice defense minister and chief of VPA [Vietnamese People's Army] General Staff, appointed by the Council of Ministers, report on the return home from Cambodia of Vietnamese Army volunteers in September 1989 after fulfilling their noble international duty; Comrade Nguyen Thi Than, head of the Public Health Committee of the National Assembly representing her committee and the Council of Ministers' Drafting Committee, read a report on a bill concerning protection of the people's health; Comrade Nguyen Van Tu, chairman of Vietnam Workers Union Confederation, report on a bill of Trade Union Law; Comrade Nguyen Van Duc, deputy head of the National Assembly's Legal Committee, read a reviewing report on the bill; Comrade Hoang Quy, finance minister representing the Council of Ministers, report on the implementation of the State Budget in the first half of the year and on the measures to fulfill the revenue and expenditure tasks of State Budget for the entire 1989; Comrade Cao Si Kiem, State Bank general director representing the Council of Ministers, report on the situation of currencies and bank credits in the first half of the year, and the main policies and measures for the second half of 1989; and Comrade Nguyen Khanh, vice chairman of the Council of Ministers, representing the Council of Ministers, report on the adjustment of administrative territorial division of Phu Khanh, Nghia Binh and Binh Tri Thien Provinces.

In the afternoon, the National Assembly continued to hear Comrade Pham Hung, chief judge of the Supreme People's Court, report on the tasks of the tribunal sector; Comrade Tran Quyet, chief procurator of the Supreme People's Organ of Control, report on the tasks of the control sector;

and Comrade Dinh Nho Liem, first vice foreign minister, appointed by the Council of Ministers, report on our state's foreign affairs in the first half of 1989.

Socioeconomic Plan Adopted

*BK1906155789 Hanoi VNA in English 1447 GMT
19 Jun 89*

[Text] Hanoi VNA June 19—The National Assembly of the Socialist Republic of Vietnam opened its fifth session at the Ba Dinh Conference Hall here today with Chairman Le Quang Dao in the chair.

The session was attended by Nguyen Van Linh, general-secretary of the party Central Committee; Vo Chi Cong, Politburo member of the party Central Committee and president of the State Council; Do Muoi, Politburo member of the party Central Committee and chairman of the Council of Ministers; Pham Van Dong, advisor to the party Central Committee, and others.

Chairman Le Quang Dao delivered the opening committee [as received], read a report of the Council of Ministers on the implementation of the socio-economic plan in the first half of this year and on measures to carry on the plan successfully in the second half of 1989.

He said :

"The socio-economic plan for 1989 was adopted by the National Assembly at its fourth session with three major targets: renovating the management mechanism and economic policies, successfully implementing the socio-economic tasks especially the production of food and goods for home consumption and for export; gradually stabilizing the living standard of the people first of all public employees, armed forces, those enjoying preferential treatment by the state, and people in storm and flood-stricken areas; setting urgent problems in education, public health and culture, reducing the price hike, budget deficit and inflation. At the same time, the National Assembly also approved 12 orientations regarding socio-economic policy and management, and the development of a planned commodity economy aimed at achieving the targets of the 1989 plan.

In the past six months, in executing the National Assembly's resolutions, the Council of Ministers has issued new guidelines and policies on the abolition of state subsidies in food trade, export, taxes, pricing, and the rate of foreign exchange, improvement of wages and the interest rate of the State Bank. In this process the Council of Ministers has begun to renovate the mechanism of planning, reduced state quotas, granted autonomy to the grassroot units in planning their production, making full use of their potentials, shifting over the cost-accounting system, and combining production with market demand in order to spur the multi-sector commodity economy. It has also set an important guideline and taken drastic measures to curb inflation and regulate supply and demand on a national scale.

A general review of the implementation of the first semi-annual plan of 1989 shows that progress has been made in carrying out the economic tasks.

First the production of food and foodstuffs has continued to develop. The area of winter-spring rice crop in the whole country reached nearly 2 million ha, or a 4.4 percent increase over the last season. The southern provinces have achieved increases in all aspects: hectareage, productivity and output. Particularly, great results have been obtained in reclaiming the Plain of Reeds and the Long Xuyen area, thus adding 60,000 more ha to the cultivated hectareage and 270,000 tons of wet rice to the total output. In some central provinces, due to a long spell of drought at the beginning of the cropping season, and recent tropical storms in Quang Nam-Da Nang and Binh Tri Thien Provinces and parts of Nghe Tinh Province, food output has decreased compared with the last season. Meanwhile, in the North the recent storms and floods have also caused damage, but output is estimated to equal that of the winter-spring crop last year.

Estimates have put the output of the winter-spring rice crop of the whole country at 8 million tons including over 7 million tons of paddy, a slight increase over the last winter-spring crop which was a bumper crop.

Second, despite difficulties, progress has been made in some branches of production and construction compared with the same period last year: In industry, the new mechanism in which the grassroots units exercise autonomy in planning and production has enabled them to reorganize their manpower and production, gear production to market demand calculate production costs and profits, and contribute to the state budget while remaining viable. Many units in various branches and localities have fared well under the new mechanism and obtained inspiring results. In general, the production units are striving to reduce production costs and raise the quality of their products. Some branches of the state-owned sector have done better than the same period last year: electricity increasing by 28 percent, power supply to agriculture by 38 percent, cement by 22 percent, etc.

Third, external economic activities have made headway. Due to delay in signing contracts, handling the fund of production material, purchasing exports goods paying debts and compensating losses in the export service, the branches, localities and grassroots units have achieved 44 per cent of their yearly plan for exports, an increase of 28 per cent over the same period last year.

Fourth, pricing and market demand have been alleviated to a certain degree, thanks to the renovation of the management mechanism and economic policy, since late last year, there has been a good supply of diversified merchandise and marketing activities have become animated. The index of pricing has been cut off from and increase of 7.4 percent in January and 9.2 percent in

February, down to 5.4 percent in March, 3.5 percent in April, and about the same level in May. The prices of foods, foodstuffs and consumer goods have remained stable or even decreased, the difference in prices between the various localities has shrunk and the purchasing power of money has gradually been restored.

Fifth, the people's lives have become less difficult.

Sixth, scientific and technological activities have been better geared to production and serving the people.

Seventh, with regard to the state's macro-economic management, some progress has been obtained and experiences drawn in the institutionalisation of incentive policies towards the economic sectors—especially policies regarding agriculture, food trade, the granting of autonomy to grassroots production units, the use of economic levers in pricing, fixing the exchange rates and interest rates, and the trading in gold and foreign currencies—along the line of a multi-sector commodity economy.

Those initial efforts and progress are of great significance in that they have not only attested to the correctness of the party and government's policies, and decisions, but also opened up a new prospect for the implementation of the socio-economic tasks set for the latter half of 1989 and the following years. However, it should be realised that as we have taken to the new economic mechanism, especially since the end of the first quarter of 1989, the economic situation in general, and the state-owned sector in particular, has faced great difficulties: shortage of capital, slow consumption of home-made products, and a number of workers have become partly employed, so have some production and construction enterprises.

Together with the economic branches, the services for education, vocational training, culture, information, health care and social welfare have also made progress.

In general education, much is being done to open the 9th form of the 12-year general education system in the 1989-90 school-year as stipulated by the educational reform program. But due to the shortage of capital for the building of new classrooms, the State Bank can provide financial support for only some localities which have the greatest needs. The greatest concern at present is the continued decrease in the quality of education. The number of excellent students has increased over the previous years, but it still remains below 10 percent and the number of average students makes up 50 to 60 percent.

In public health and social welfare, efforts are being made to carry out the five national programs of health-care of which the enlarged vaccination program against the six common diseases among children has obtained the best result.

The socio-economic plan for the second half of 1989 calls for concentration of efforts on the following tasks:

First, to promptly overcome weaknesses in guiding agricultural production by supplementing new concrete measures with a resolve to achieve a bumper crop in the next cultivation in order to basically resolve the food problem.

Second, to concentrate efforts on quickly resolving the shortage of capital and materials, and the consumption of products for the state-owned sector with a view to boosting production, raising product quality, reducing production costs, and diversifying the range of goods to meet most of the demands for essential consumer goods home. Measures should be taken to encourage the use of domestic commodities, and a correct policy on import should be applied contributing to supplementing the repository of commodities in the country.

Third, to strive to fulfill the export plan, especially the ones for the Soviet Union and other socialist countries. To continue to broaden economic relations with other countries.

Fourth, to concentrate capital materials and equipment on the key projects already registered in the State Plan for 1989, and direct all sources of investment from production units and individuals to the development of production.

Fifth, to go ahead with measures that have been and will be taken to control and stop inflation. To reorganize and consolidate the distribution and circulation of goods, particularly boost budget incomes, and consolidate the state-owned economic sectors so as to make it a more effective instrument against inflation and to help it play its leading role in the multi-sector economy.

Sixth, to better settle a number of urgent problems in culture, social life, social order and security, and national defence. To make good preparations for the troop withdrawal from Cambodia by September 1989.

Seventh, to continue to reorganise the managerial apparatus and workforce, cut off intermediary links, and reduce the personnel with the aim of enhancing the state management from the centre to the grassroots levels.

On external economic relations: It is necessary to perfect the law on foreign investment by completing all documents relevant to it, and build necessary facilities for a rapid expansion of economic cooperation with foreign countries in various forms and domains, on a suitable scale in order to get the best of capital, technology, materials and commodities.

To pay attention to the division of work and comprehensive cooperation with the Soviet Union, Laos and Cambodia and other socialist countries and to the implementation of agreements signed with them, considering this as a strategic direction and an obligation of prime importance. At the same time, to widen cooperation with countries and organizations in the region and in the world in keeping with the principle of equality and mutual benefit; to make

the best use of international assistance, including that of the International Monetary Fund and the World Bank for our economic development. To pay adequate attention to the forms of direct cooperation at the local and grassroots levels. To encourage and create favourable conditions for overseas Vietnamese to invest and contribute various forms to the national construction. [no closing quotation mark as received]

20 June Assembly Session Reviewed

*BK2006115889 Hanoi Domestic Service in Vietnamese
1100 GMT 20 Jun 89*

[Text] This morning, 20 June, the Fifth Session of the Eighth National Assembly continued its plenary sitting at the Ba Dinh Conference Hall under National Assembly Chairman Le Quang Dao.

The deputies heard Comrade Nguyen Viet Dung—on the order of Council of Ministers Chairman Vo Chi Cong and on behalf of the committee responsible for drafting, amending, and supplementing articles of the Constitution—report on amendments and supplements to the Constitution.

Minister of Justice Phan Hien, on behalf of the Council of Ministers, read a report on the bill on amendments and supplements to the law on the election of delegates to people's councils.

Mrs Ngo Ba Thanh, chairwoman of the National Assembly Judiciary Committee, read a reviewing report on the bill on amendments and supplements to the law on the election of delegates to the people's councils and another report on the bill on amendments and supplements to the law on the organization of people's committees.

Minister of Finance Hoang Quy, on behalf of the Council of Ministers, presented a report on the draft law for renovating our country's tax system.

Comrade Duong Xuan An, vice chairman of the National Assembly Planning and Budget Committee, presented a report on the committee's views and suggestions for the draft law for renovating our country's tax system.

Next, Comrade Tran Do, chairman of the National Assembly Culture Committee, reported on a number of matters concerning current cultural, social, and educational work.

Mrs Ngo Ba Thanh, head of the National Assembly Judiciary Committee, made some observations on the two reports by the Supreme People's Court and the Supreme People's Organ of Control.

This afternoon, the deputies met in groups to discuss the bill on amendments and supplements to some articles of the Constitution, the bill on amendments and supplements to the law on the organization of the people's

councils and people's committees, and the bill on amendments and supplements to the law on the election of delegates to the people's councils.

General Reaffirms Plan for Troop Withdrawal
*BK1906125089 Hong Kong AFP in English 1244 GMT
19 Jun 89*

[Text] Hanoi, June 19 (AFP)—Vietnam's National Assembly opened its summer session here Monday with a reiteration from the Armed Forces chief that Hanoi would pull all its remaining troops out of Cambodia by the end of September.

Observers at the opening noted the unexplained absence of Defense Minister General Le Duc Anh, a Communist Party Politburo member. Also absent was Foreign Minister and Politburo member Nguyen Co Thach, currently on a European tour.

"At the end of September, the last units of Vietnamese voluntary troops, who are fulfilling our noble internationalist task in Cambodia, will return home, bringing an end to almost 11 years of combat cooperation with the Cambodian people and Army," General Doan Khue said in a report to *Le Jour*.

The general did not specify the number of Vietnamese troops currently in Cambodia, estimated by Western sources at 70,000, or elaborate on how the withdrawal would be carried out.

Vietnamese military sources said last week 50,000 men remained in Cambodia and they were expected to leave mainly across the land border, while heavy equipment and artillery would be brought home via the waterways.

The withdrawal was announced April 5 in a joint communique issued in Hanoi and Phnom Penh by the Vietnamese, Cambodian and Laotian Governments.

But Phnom Penh Premier Hun Sen said his government reserved the right to call again on Hanoi troops in case of danger or any attempt at a power grab by the Chinese-backed Khmer Rouge, overthrown by the Vietnamese in January 1979.

Gen Khue, a Communist Party Politburo member, recalled in his report the reasons for Vietnam's intervention in Cambodia which he said was "legitimate" given the two years of "assaults by the troops of Pol Pot" on the border.

He spoke at length of the Khmer Rouge's 1975-1979 term in power and accused its leader Pol Pot of having "massacred about three million Cambodians, or half the population of the time."

"All men of conscience on this planet will never allow a repetition of such tragic scenes in Cambodia," said the general, denouncing the "unprecedented genocide" that "transformed Cambodia into a prison and hell on earth."

He said the Vietnamese cabinet had drawn up a welcoming program for the troops returning in September and would give priority to "cadres and soldiers" in employment and housing.

Sources close to the government said all the troops, except the officers, would be demobilized.

The Assembly session—the longest since the 500 deputies were elected in April 1987—is expected to debate several amendments to the Constitution and reforms to trade-union legislation adopted in 1957 and now seen as outdated.

The assembly is also expected to devote considerable attention to economic issues, with reports scheduled from Finance Minister Hoang Quy, before the session closes June 30.

Both Mr Quy and Agriculture Minister Nguyen Cong Tan have heard calls for their resignation from the population in the South.

Mr Quy, a party Central Committee member, is to personally present the budget report—an indication that he is not likely to lose his post despite the fact that the economy is virtually in ruins, analysts said.

Talk Held on Cambodian Army, Party Anniversaries
*BK1706033489 Hanoi VNA in English 1532 GMT
16 Jun 89*

[Text] Hanoi VNA June 16—A talk was held today by the command of the Hanoi Military Zone and the Hanoi chapter of the Vietnam-Cambodia Friendship Association on the 38th anniversaries of the Cambodian People's Revolutionary Army (June 19) and the People's Revolutionary Party of Cambodia (June 28).

The talk was attended by Lieutenant-General Chu Duy Kinh, deputy commander of the Hanoi Military Zone, and other senior officers, and representatives of public offices and mass organisations.

Cambodian Charge d'Affaires a.i. Nhoung Heng Chou [name as received], Military Attaché Hing Lang, and other staff members of the Cambodian Embassy here were on hand.

Lieutenant-General Chu Duy Kinh warmly welcomed the two anniversaries of the State of Cambodia. Military Attaché Hing Lang, for his part, spoke of the major

achievements of the Cambodian Armed Forces and people, and expressed his profound gratitude for the devoted assistance of the Vietnamese party, government and people.

Paper Marks Cambodian Army Day
*BK1906141189 Hanoi International Service in English
1000 GMT 19 Jun 89*

[Text] The Hanoi army paper QUAN DOI NHAN DAN on Monday ran an editorial marking the 38th traditional day of the Cambodian Revolutionary People's Army, 19 June.

The paper said that realities in the past 10 years eloquently proved that the Revolutionary People's Army of Cambodia is a reliable force of the new Cambodia. That army was tempered in the flames of the struggle for national independence, freedom, and happiness of the people. It consists of regular soldiers who have been trained and equipped well with high quality, and the combat-trained local army, militia, and guerrilla force which have been determinedly developed and stand firm. The Cambodian Revolutionary People's Army, loved and supported by the people, has been defending the country, and together with the people, has been building a new country with strong economic, social, and cultural development.

Shoulder to shoulder with the Vietnamese Army volunteers in fighting in the past 10 years, the Cambodian Revolutionary People's Army has been growing up. The Vietnamese people are elated at the fighting capacity of the Cambodian Army units as replacements of the Vietnamese army unit in many important strategic theaters of operations, and their strength in fighting to defend the territorial integrity and peaceful life of the people. We believe that when all Vietnamese troops leave Cambodia by September this year, the Cambodian Revolutionary People's Army can ensure the cause of their national defense. In the light of the Resolution of the Fifth Congress of the Cambodian People's Revolutionary Party, the Cambodian Army and people ceaselessly heighten vigilance, resolutely overcome all trials and difficulties, and fight persistently to achieve their goal of building a peaceful, independent, neutral, and non-aligned Cambodia. The Cambodian Revolutionary People's Army, together with the entire people, strive to maintain and enhance their strategic position in all border and inland areas, to weaken, disintegrate, and defeat the enemy, increase the revolutionary force both qualitatively and quantitatively to cope with any eventuality.

A movement is to be launched throughout Cambodia to build a strong armed force, and the administration at all levels will step up the economic and cultural development and improve the people's life. Fulfilling these tasks is the firm guarantee for the irreversible advance of the Cambodian revolution.

Australia

Chinese Sailor Jumps Ship, Seeks Asylum

OW2006091389 Tokyo KYODO in English 0836 GMT
20 Jun 89

[Text] Sydney, June 20 KYODO—A Chinese seaman has sought asylum in Australia after jumping ship in Perth, western Australia claiming he might be killed if he returned to China, according to Australian immigration official.

The 27-year-old man, an electrical engineer on a Chinese freighter, told Australian authorities he had been warned by relatives in China not to return because he wrote to Beijing University protesting the bloody military crackdown on student pro-democracy protesters earlier this month.

A Chinese vice consular official in Sydney recently sought asylum and has been given permission to stay in Australia.

Record Current Account Deficit Recorded in May

BK1906072989 Hong Kong AFP in English 0349 GMT
19 Jun 89

[Text] Canberra, June 19 (AFP)—Australia had a record monthly current account deficit of 1.83 billion dollars (1.36 billion U.S.) in May, the Bureau of Statistics reported Monday.

This was 48 million dollars (36 million U.S.) more than the previous record monthly deficit of 1.78 billion dollars (1.33 billion U.S.) in October last year.

The May deficit was 33.6 per cent higher than for the same month last year, and 61.7 per cent up on the April figure.

Imports were up 17 per cent over April, while exports rose one per cent, the bureau said.

Analysts had forecast the deficit to come in at between 1.5 billion dollars (1.1 billion U.S.) and two billion dollars (1.5 billion U.S.).

The Australian dollar, trading at 74.45 U.S. cents shortly before the release of the data, slid to 73.90 U.S. cents before bouncing back to 74.33 and recovering to 74.70 at mid-session.

The cumulative current account deficit for the first 11 months of the June 30 financial year was 15.99 billion dollars (11.9 billion U.S.), 41.5 per cent higher than for the same period the previous year.

The cumulative merchandise trade deficit stood at 3.9 billion dollars (2.9 billion U.S.) against a 13 million dollar (10 million U.S.) surplus for the same period in 1987-88.

The merchandise trade balance recorded a 627 million dollar (467 million U.S.) deficit in May, 194 per cent higher than the same month last year.

The net services balance was 345 million dollars (257 million U.S.) in deficit, up 72 per cent on the previous May.

This made a 972 million dollar (724 million U.S.) deficit on the balance of goods and services, 135 per cent worse than May last year.

Imports rose 17 per cent to 4.58 billion dollars (3.4 billion U.S.) in May over the previous month, and were up 25 per cent from May last year.

Exports rose one per cent to 3.96 billion dollars (2.95 billion U.S.) in May over April, and 15 per cent on May last year.

The bureau said its trend estimates, which largely remove seasonal and other effects, continued to show upward movement in both exports and imports.

Hawke Praises France; 'Disagreements Remain'

BK1906072389 Melbourne Overseas Service in English 0500 GMT 19 Jun 89

[Text] The Australian prime minister, Mr Hawke, who is on a visit to France, has praised the new policy on the French Pacific territory of New Caledonia. In an interview on French television, Mr Hawke contrasted the new policy with neglect by previous French administrations, which he said had left New Caledonia's Kanak population uneducated, untrained, and unprepared for the responsibilities of government.

He also welcomed French support for the Australian campaign to make the Antarctic a mining-free wilderness park. However, while Mr Hawke has been full of praise for the present French Government, AUSTRALIAN ASSOCIATED PRESS [AAP] points out that serious disagreements remain between the two countries. These relate to French nuclear testing in the South Pacific and the European Community's protection of agricultural trade, of which France is a major beneficiary.

Another major issue likely to be raised in talks today between Mr Hawke and the French prime minister, Mr Rocard, is Cambodia. AAP says that France as the [former] colonial power is emerging as the main mediator in the delicate negotiations between the competing Cambodian factions.

In talks with leading French and Australian business executives, Mr Hawke is expected to emphasize Australia's strategic importance as a springboard into booking Asian markets.

New Zealand

Government Softens Stance on Antarctic Mining

BK1506093989 Hong Kong AFP in English 0855 GMT
15 Jun 89

[Text] Wellington, June 15 (AFP)—New Zealand has softened its earlier strongly-worded displeasure at the refusal of Australia, and possibly France, to sign the Antarctic Minerals Convention, Foreign Affairs Minister Russell Marshall confirmed Thursday.

Mr. Marshall said in a radio interview Thursday that he had "cooled down a bit", and after "strenuous discussions" with Australia, both nations had agreed their common ground was more important than their differences.

There was still disagreement over the convention, designed to protect the frozen continent's environment from mining activity, but both countries were united on the need for tighter controls over tourism and scientific activities, he said.

"You can't stay mad forever ... So I went back to the officials who were involved in all this ... And we had a very constructive dialogue with the Australian officials."

Australia announced last month, after reservations expressed by France, that it would not sign the minerals convention but would instead push for total protection of the Antarctica environment, a move harshly criticised by Mr. Marshall as politically motivated.

New Zealand favours the minerals convention as an interim measure to protect the region from exploitation, while pressing for even stronger eventual environmental safeguards that would supercede the convention.

Mr. Marshall said last month that the Australian decision increased the chances of mining in the Antarctic rather than providing greater protection against it.

"I think it is a pity that one country has single-handedly vetoed the work of 20 or 30 countries over six years, and I think that's a very sad situation," he said at the time.

Mr. Marshall said Thursday he believed France would actually sign the convention, despite President Mitterrand's call this week for the region to be made a world park instead.

"I frankly doubt that France will be out of the play at the end of the day," he said.

Mr. Marshall said he believed the Australians could also still be persuaded to sign the convention by the final date in November, adding, "I think they're going to have some difficulty standing alone on this."

Mr. Marshall said the government would be considering legislation to ban New Zealand mining in Antarctica.

"There are certain things that can be done here in addition to the drive that we are taking internationally," he noted.

Papua New Guinea

Premier Orders Crackdown on Security Troops

BK1906084089 Hong Kong AFP in English 0758 GMT
19 Jun 89

[By Wally Hiambohn]

[Text] Port Moresby, June 19 (AFP)—Papua New Guinea Prime Minister Rabbie Namaliu on Monday ordered a crackdown on government forces on Bougainville Island after a series of attacks on civilians there has sparked a row with Australia.

Mr. Namaliu told reporters he was deeply concerned at reports of "serious incidents involving a minority of the security force members."

Sources on the northern island, where militant landowners have forced the world's largest open cut copper mine to close down, said tensions were running high after a number of incidents at the weekend.

Earlier Monday the security forces briefly detained an Australian diplomat as he tried to escort a badly injured Australian on to an aircraft at Bougainville's main airport.

An Australian High Commission spokesman said here the injured man, John Price, attacked by soldiers last Friday [16 June] for allegedly sympathising with the militant landowners, was later allowed to board the plane to return to Australia for medical treatment.

On Saturday, acting on the direct instructions of Australian Prime Minister Bob Hawke, the commission lodged a strong protest with the Port Moresby government over the attacks on Mr. Price and another expatriate Australian.

In a further development, the security forces were reported to have arrested an Australian who has lived on Bougainville for 30 years.

The reports said it was not known why the Australian, hotel proprietor Barry Walker, had been arrested.

Deputy Australian High Commissioner Howard Brown said that Mr. Price, an executive of a cocoa company on Bougainville, was in a serious condition Monday when he flew back to Australia with his wife.

Mr. Hawke said in Paris at the weekend this was "not an attack on Australians by rebels but by armed forces there who were supposed to be responsible for maintaining law and order."

Sixteen people have died since last November when militant landowners demanding a massive increase in compensation began a campaign of violence against the Bougainville Copper Ltd. mine at Panguna.

Police were reported to have burnt down 30 homes Sunday in an area inhabited by rebel sympathisers in retaliation for two weekend attacks in which seven security troops were injured.

Mr. Namaliu said he was "greatly concerned that public confidence in the security forces may have already been seriously undermined by the disgraceful actions of a minority."

The prime minister said he had ordered Police Commissioner Paul Tohian and acting military commander Lieutenant-Colonel Lima Dataono to take direct control of the security forces in Bougainville.

Bougainville Copper Ltd., majority owned by Cra Ltd., says it has been losing an estimated 1.5 million U.S. dollars a day since the mine closed on May 21 and has had to postpone some contract deliveries.

Housing Minister Suspended for Misconduct

*BK2006061389 Melbourne Overseas Service in English
0500 GMT 20 Jun 89*

[Text] Papua New Guinea's housing minister, Mr Gerard Sigulogo, has been suspended following allegations of misconduct in office. The public prosecutor, Mr (Cecil Russell), said Mr Sigulogo has been suspended on full pay pending a hearing before the country's leadership tribunal.

Mr (Russell) said the actual charges against the minister should be known by the end of the week. He added that public hearing into the charges had been tentatively set down for 3 July.

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